



**Universidade de
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Ano 2010

Secção Autónoma de Ciências Sociais,
Jurídicas e Políticas

LIANG XU

**RELAÇÃO ENTRE MARKETING INSTITUCIONAL E A
ESCOLHA DOS ESTUDANTES**

**RELATIONSHIP BETWEEN INSTITUTIONAL
MARKETING AND STUDENT CHOICE**



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MARKETING PRACTICE AND INTERNATIONAL
STUDENT CHOICE**

Dissertação apresentada à Universidade de Aveiro para cumprimento dos requisitos necessários à obtenção do grau de Mestre em Ensino Superior – erasmus mundus, realizada sob a orientação científica do Doutor Cláudia S. Sarrico, Professora Auxiliar com Agregação do Departamento de Secção Autónoma de Ciências Sociais, Jurídicas e Políticas da Universidade de Aveiro.

Dedicate this thesis to my parents for their support.

O júri

Presidente

Prof. Doutor Rui Armando Gomes Santiago
Professor Associado com Agregação da Universidade de Aveiro

Vogal

Prof^a Doutora Maria João Aibéo Carneiro
Professora Auxiliar da Universidade de Aveiro

Orientadora

Prof^a Doutora Cláudia Sofia Sarrico Ferreira da Silva
Professora Auxiliar com Agregação da Universidade de Aveiro

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palavras-chave

Marketing do ensino superior, educação internacional, escolha do estudante internacional, ensino superior australiano.

resumo

A presente tese discute o relacionamento entre o marketing institucional e a escolha do estudante internacional.

A tese baseia-se num estudo de caso da Universidade de Monash, Austrália, e foram analisadas tanto a parte institucional como a parte internacional.

Os resultados da investigação mostram que o marketing institucional pode ter uma relação com a escolha do estudante internacional e que as actividades de marketing podem, de alguma maneira, desempenhar um papel positivo no recrutamento de estudantes internacionais. Por fim, os resultados da investigação mostram que o marketing internacional pode ser uma forma útil de fornecer informação aos potenciais estudantes internacionais e ajudá-lo a tomar decisões.

Dadas as amostras limitadas utilizadas no estudo, os resultados não podem ser generalizados. Assim, há a necessidade de estudar mais instituições de ensino superior. Investigação futura também pode averiguar se as actividades de marketing influenciam directamente o aumento do recrutamento de estudantes internacionais.

keywords

Marketing of higher education, international education, international student choice, Australian Higher Education.

abstract

This thesis discusses the relationship between institutional marketing and international student choice.

The thesis is based on a case study of Monash University, Australia and both the institutional side and international side were analyzed.

The research findings show that institutional marketing may have a relationship with international student choice and marketing activities in some extent play a role in positively influencing the international enrollment. Last but not least, the research findings show that institutional marketing can be a useful way to provide information to prospective international students and help them to make decisions.

Due to the limited samples, the findings of the case study may not be generalized. Therefore, there is a need for more higher education institutions to be studied. Future research may also study whether the marketing activities have a direct influence on the increase of international student enrolment.

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1. Introduction

Over the last twenty years, there has been strong growth in transnational education. According to the OECD there were 2.7 million tertiary students worldwide enrolled outside their country of residence in 2004, an increase of 41% since 2000 (1.9 million students) and over 200% since 1985 (0.9 million students) (OECD Indicators 2006). The full-fee paying international students are a good revenue source for institutions and the higher education sector. Besides, it provides an opportunity to experience and expand knowledge of another culture and language. Therefore, most of the universities adapt and implement marketing techniques for appealing to prospective students and promoting their academic offerings, benefits and facilities (Kotler and Fox, 1985).

The development of the global market and fierce competition from various nations and institutions are the good news for prospective international students with the capacity to study overseas. However, how to choose the appropriate institution as their study destination is not an easy decision-making process. As higher education has the nature of a marketable service, there is an interactive process between the service suppliers -- institutions and potential customers – students. Institutions try to be well known by their customers through creating their market image and reputation while students have their rights to make the decision if they want to get the service from institution A or institution B. Therefore, if institutions seek to engage in the overseas market, making a strategic marketing practice may differentiate their position in the industry so as to impact on the student choices.

This study aims to study the relationship between the institutional marketing practice and students' selection of institution through the case study of Monash University, Australia. The case study is undertaken to test if any relationship could be found so that the understanding may help institutions effectively select students and at the same time students can also easily access the information of institutions. Therefore a 'win-win' situation is likely to exist through the interactive process between the customer side (student) and supplier side (institutions).

2. Literature Review and Background

In the last decades higher education systems worldwide have been changing a lot due to the shrinking financial support from national governments and the appeal for efficiency and effectiveness of higher education institutions (HEIs). Therefore, not only national governments have reformed the higher education system, but also higher education institutions adapt themselves more or less towards what Clark called “Entrepreneur University” (Clark, 1998). On the one hand, HEIs strive for diverse income sources so as to cover the gap resulted from the decrease of public funding. On the other hand, the financial pressure also encourages HEIs to continuously improve their performance by means of better utilizing all kinds of resources so that they will contribute to the community and the entire nation in terms of economics, innovation, culture and social cohesion.

2.1 The Application of New Public Management to Higher Education

Recent decades have witnessed changes in public governance and some have been inspired by new public management (NPM), which deliberately alters the structure and policy development process in public sector organizations with the purpose of making them more efficient and effective (Ferlie et al., 1996; Clarke and Newman, 1997; Pollitt and Bouckaert, 2000). A number of studies have remarked that changing modes of coordination in higher education occur in a complex setting with different actors and interests across different systems. In higher education, a constellation of two to five co-existing modes of coordination have been observed which are not mutually exclusive. They are state regulation, stakeholder guidance, academic self-governance, managerial self-governance, and competition for resources (Clark, 1983; Neave and Van Vught, 1991; Braun and Merrien, 1999; Schimank et al., 1999; Enders, 2002). This implies firstly that the state should distance itself from direct control of universities and be concerned primarily with goal setting. Thus universities have more responsibilities to govern themselves in both academic and management fields and need to take account of the expectations of various stakeholders. Moreover, the competition for resources stimulates higher education institutions reform toward more entrepreneurial and market-oriented modes of operation as well as to learn how to achieve efficiency and effectiveness from the private sector.

NPM assumes that market-like competition is the better means to increase efficiency and lower costs, and that efficiency and effectiveness of service delivery can be achieved through the use of private sector management techniques. Greater competition for resources between and within universities rests on deregulation as well as on the establishment of a new powerful leadership. Greater political guidance and stakeholder involvement is held to provide broad long-term orientation to a university's competitive strategy. Secondly, with the reduction of state funding, universities are forced to be more active in searching for alternative financing, which may also imply more stakeholder involvement. Moreover, competition for resources, accountability and evaluation of academics, new management capacities and restructuring of relationships between different stakeholders are concepts that have assumed concrete form (Enders, 2002; Reed, 2002). Therefore, universities are supposed to move towards managerial capabilities, incentive steering, quality assurance and accountability.

Australia is one of the pioneer countries to use NPM into the field of higher education. Traditional systems of management within Australian universities were based around control by senior academics. The focus was on the maintenance and furtherance of academic values, and outside interference was limited (Howard, 1988, pp. 414-15). In a federal government White Paper (Dawkins, 1988, p. 11) reductions in the size of university governing bodies were recommended to a level compatible with the boards of private sector companies. More power was to be placed in the hands of the chief executive officer. A consequence of this has been the widespread adoption of corporate management structures in universities, and increased use of various systems of formal quality assurance and performance indicators (DEET, 1993, p. 28).

These reforms brought to Australian higher education several positive outcomes. Accessibility to higher education is greater than at any time in history. During the late 1980s the proportion of Australians holding post-secondary qualifications increased from 34 per cent of the 25- to 69-year-old population in 1984 (ABS, 1992), to 45 per cent in 2007 (OECD, 2009). While the total proportion of university degree holders in Australia in 1991 was only 9 per cent of the

whole population, the number of people aged between 25 and 64 with university degrees increased to 34 per cent in 2007 (OECD, 2009).

2.2 Higher Education as a Peculiar Business

1) Nonprofit Enterprise Dimension

Henry Hansmann (1980) identified the legal and economic rationale for the nonprofit firm as a situation which, because of asymmetries of information, the buyer is highly vulnerable to seller's opportunism. Given the asymmetry of information, it's impossible to draw up a contract that guarantees that the expected quality in all its dimensions will be provided. As a result, nonprofits are frequently found in the markets for things like nursing homes, day care and education. The key legal and economic characteristic of nonprofit enterprise is a 'non-distribution constraint' (Hansmann, 1980). Nonprofit firms mean that there is no outsider to whom the enterprise can legally distribute those profits as the normal firm distributes profits to its owners. Indeed, a nonprofit has no owners – it owns itself. The non-distribution constraint can be fudged by transfer pricing that inflates rewards to suppliers of purchased inputs. For instance, profits made from undergraduate programs might support daily administrative expenses or the university football team. The point here is not that the nonprofit firm is without its own set of issues or problems, but rather that the non-distribution constraint serves to soften the incentive that as for-profit supplier has to take advantage of the particularly informed buyers (Winston, 1999). Last but not least, as a non-profit organization, the university strives to do better not for the owner, i.e. the chancellor, but for the interests of its students. The university tries to produce the informed and educated graduates, not the monetary returns of the ordinary commercial organizations.

2) Multi-client Services

One characteristic of higher education as an organization is its multi-client services. Universities serve not only students, but also government and the society. Therefore, satisfying each group of clients means compromise, sometimes even conflicts. Take teaching and research as an example. From the students' viewpoint, they would like to enjoy more educational resources in learning from professors, class and related facilities, while the

government encourages universities to devote more to research and innovation. How to balance the various requirements from various interests of different groups with limited resources is always debatable.

3) Multi-purpose Unit

Due to its multi-client characteristic, universities then have multiple goals. Generally speaking, there are three roles in higher education, namely teaching and learning, research and scholarship, and service provision. Each interest group has different needs so that goal setting will be very difficult and may be inconsistent.

Besides, because of the non-distribution constraint, the managers of nonprofit firms are motivated by a less tidy incentive structure than we attribute to those running for-profit firms (Winston, 1999). This is exactly the case of higher education institutions. In higher education, managers appear motivated by what Clotfelter (1996) calls ‘the pursuit of excellence’, a general goal which in practice means maintaining or improving the quality of the educational services they supply and the equity with which they are provided (Bowen and Breneman, 1993). However, what exactly ‘excellence’ means is not clear. This striving for academic excellence is often defined relative to other institutions. In that sense, the goal has a positional aspect, one that can border on a striving for status and relative rankings. Along similar lines, James (1990) suggests that if colleges and universities have a single-value objective function, it is something like “prestige maximization”.

4) Customer-input Technology

The technology of producing much of what is sold in higher education is unusual in that colleges can buy important inputs to their production only from the customers who buy their products; that is, higher education uses a customer-input technology (Winston, 1999). Students educate both themselves and each other, and the quality of the education any student gets from college depends in good measure on the quality of that student’s peers. Inputs of faculty and facilities matter, too, of course, but the quality of both individual students and of the student

body as a group counts for a great deal in the quality of educational services the institution delivers.

2.3 Education as a Marketable Service

Veblen (1918) was one of the first to note a shifting emphasis within education from a ‘public good’ to a marketable service. According to Veblen, the universities and colleges in the United States were being evaluated not on educational quality or teaching outcomes, but on “business criteria”. Courses and programs within institutions were required to be financially solvent, while the advertising and public relations activities of schools, colleges and universities were increasing (Corwin, 1975). During the 1980s, declining birth rates and increasing operating costs led many education institutions to take a greater interest in marketing than had previously been the case (Edel, 1987; Fielden, Hilton and Motes, 1993). Education was seen as simply another service industry that operated within competitive markets and required marketing strategies to ensure its success in attracting both domestic and international students (Bassin, 1985; Huber, 1992).

Mazzarol, Soutar and Thein’s study (2000) used the five criteria of services marketing offered by Lovelock (1983) to describe education services as having the following characteristics:

- 1) The nature of the service act – higher education is a highly intangible, complex professional service.
- 2) The relationship with the customer – Students have a kind of “membership” relationship with the service provider. This offers the service provider an opportunity to develop strong client loyalty and enhanced client service features. Critics have suggested that while such a marketing orientation can apply to higher education institutions (Stewart, 1991), it is important for marketing practices to be developed from a clear understanding of buyer behavior and sensitivity to student/consumer needs (Nicholls, Harris, Morgan, Clarke and Sims, 1995).
- 3) The level of customization and judgment in services delivery – The extent to which education services are customized is variable. As the level of market competition

between education institutions rises, the degree of customization of program in turn increases. University graduate management programs have begun adopting market research techniques to identify what current and prospective students want from such programs and then adapting their course to meet such needs (Klayton, 1993). Many institutions are also developing specialist programs to compete within niche markets due to the level of competition operating in the industry (Zafar and Sando, 1998).

- 4) The nature of demand relative to supply -- In education the demand is subject to relatively narrow fluctuations over time, yet supply is sometimes difficult to manage, with limitations placed on availability of staff and places in courses. Such issues create problems for quality management within the education institution. Measuring the quality of education services is complex (Joseph, 1998). A careful matching of what the customer expects/wants and how the institution fulfills these expectations or wants is essential to success.
- 5) The method of service delivery – Delivery of international education services involves the traditional way of students coming to the institution to complete their courses and the new methods includes the establishment of offshore teaching programs and distance education (Soutar and Mazzarol, 1995).

2.4 Marketing of Higher Education

Until the 1980s, many higher education institutions were unfamiliar with and disliked the notion of marketing research (Litten, Sullivan and Brodigam, 1983). It was seen as “hard selling”, which was intrusive and manipulative and likely to reduce the value of education and the institutions (Kotler & Andreasen, 1996, Kotler & Fox, 1985). On the other hand, the proponents of using marketing strategy in higher education see that marketing is one of the tools that may help higher educational institutions survive in an increasingly competitive environment (Chen, 2008). For example: the earlier applications of marketing in higher education were intended mainly to address the decreasing number of prospective students (Brooker & Noble 1985). In applying marketing concepts to education, Kotler and Fox (1985) defined marketing as the “the analysis, planning, implementation, and control of carefully

formulated programs designed to bring about voluntary exchanges of values with target markets, to achieve institutional objectives.” (p7.) The purpose of marketing of a certain institution is to meet the target market's needs and desires by means of providing effective pricing, promotion, service (product) and communication, which is a subtle difference from the traditional perspectives of 4Ps(product, price, promotion and place) of marketing mix(McCarthy et al., 1960). From the above definition, we can see that marketing of higher education is somewhat different from social marketing, the latter is “the adaption of commercial marketing technologies to programs designed to influence the voluntary behavior of target audiences to improve their personal welfare and that of the society of which they are a part ”(Andreasen, 1994). Compared with the definition of social marketing, one major difference between marketing of higher education and social marketing is the marketing in higher education serves for institutional objectives while the latter one primarily seeks to benefit individuals/families or the broader society and not the organization itself.

A marketing model applies marketing principles, such as marketing mix, segmentation, positioning, and marketing research, to higher educational institutions. It helps institutions identify students' college choice factors and examine their decision-making process so that institutions can adequately respond to the potential students' needs, wants, and interests. In the past decade, higher educational institutions have been looking for new markets to grow their enrollments, and increasingly they have applied marketing concepts, such as student market segmentation, institutional/country image, and positioning and branding, to compete in a global market for the recruitment of international students (Chen, 2008). Much of the research in marketing education to international students is done in Australia, the United States and the United Kingdom. The focus is on strategic marketing, differentiation, and competitiveness (Binsardi & Ekwulugo, 2003; Hemsley-Brown & Oplatka, 2006; Mazzarol & Hosie, 1996; Mazzarol & Soutar, 2002) at the institutional and national level.

2.5 Distinguishing characteristics of marketing higher education

In Canterbury (2000)'s study, he listed several distinguishing characteristics of higher education as a marketable service. The first one is "college choice is a 'unique decision'". "unique decision", according to Litten (1980), is the one "being made by the decision maker for the first time, the outcome of (which) is usually relatively important to the decision maker, and typically the decision maker not only lacks information about alternatives and about how they rank on particular attributes, but he or she is not even sure what the "important" attributes of a good decision should be.

Another characteristic is what "buyers" are choosing is not clear. The 'product' of university can be the degree, can be the learning experience or even can be the student itself. Many prospective students and their families understand that they seek complex services from colleges and universities although they may have difficulty specifying how they expect to be influenced by those services (Canterbury, 2000). Besides, from the economic view, especially from the human capital investment theory, education is typically one-shot investment expenditure, a unique rather than a repetitive purchase (Litten, 1980; Winston, 1988). Suppose when students make their choice of a certain university, they are trying to understand the opportunity cost of investing money and time on university A instead of university B, or continuing their study instead of starting their professional career immediately will turn out the hoped-for future gains. However, through a purchase of higher education, students do not know what they're buying – and won't and can not know what they have bought until it is too late to do anything about it.

The issue of human development influences the choice process as well. From the viewpoint of students, participation in higher education is an investment on their personal development. They need to measure the relation between cost and benefit. The cost can be divided into direct cost (cost of studying and living cost) and indirect cost (the opportunity cost). Benefits involve the monetary (knowledge and skills for the future career, higher wages) and non-monetary benefits (quality of life, social status, etc). The consideration of human development

makes the choice process more complicated and also requires the supplier side to fully understand their potential customers' needs and wants.

Last but not least, families also have an effect on the choice process. Canterbury (1999) concluded that behaviors vary with socio-economic status, whether the child is the first to attend college, education of parents, and geographic region, among other things, but few look like those associated with other purchases.

2.6 International Student Choice as a Decision Making Process

As most international students are self-funded, opportunity cost must be considered all the time during this process. As an economic concept, opportunity cost means limited resources and giving up other choices. Here, the limited resources imply the money and time invested in the tertiary education and giving up other choices indicate several steps of decision making. First, students have to decide to continue to study or forego a professional career. Then, they have to choose to stay in the domestic universities or go abroad. At this stage, the consideration of education cost normally affects students' choice most, as by and large the total cost of study at home is much cheaper than living abroad and pay expensive tuition fees in most of countries, particularly in counties with market-oriented higher education systems such as the USA, the UK and Australia. The next decision is to select a certain foreign country and a university as your study destination. To individuals, spending such a large amount of financial resources on international higher education attempts to maximize private returns in both monetary and non-monetary aspects. Therefore, the assessment of prospective benefits and anticipated cost becomes the crucial step. Referring to the international education, there are dozens of critical factors, which have been discussed in the above mentioned previous pieces of research.

2.6.1 Critical Factors for Students' choice of institutions

While a host country and host institution need to remain competitive, it must address and satisfy the needs and expectations of current and prospective students from its source markets, there is a need to research the factors which influence international students' choice in international education institutions and destinations (Shanka, Quintal and Taylor, 2006).

According to previous research, there are several main factors identified as significant contributors to students' decision making process. Academic reputation is conducted as a key variable to students' choices by many researchers in the last five decades (Poock and Love, 2001; Mazzarol, Soutar, and Thein, 2000; Moogan, Baron, and Harris, 1999; Licata and Maxham, 1998; Australian International Education Foundation, 1996; Wilkinson, Mahara, and Quester, 1996; Kallio, 1995; Rickman and Green, 1993; Steadman and Dagwell, 1990; Gorman, 1976; Bowers and Pugh, 1973).

The number and variety of programs/subjects was also a major influence on students' choice of their host institutions. Vaugh, Pitlik, and Hansotla (1978), Comm and LaBay, (1996), Licata and Maxham (1998), Rickman and Green (1993), Church and Gillingham (1985) and Cain and McClintock (1984) all mentioned in their research that the diversity of programs/subjects was a major influence on students' choice of their host institutions.

In Smith, Morey, and Teece's (2002) report, they mentioned the quality of education offered by institutions as ranking highly on student satisfaction, and as one of the main factors influencing prospective graduate students. The 'quality of education' proves its importance in other pieces of research as well. Conard and Conard(2000: 74), Cain and McClintock (1984), Reed, Lahey, and Downey(1984) indicate that "the competence and expertise of academic staff, "the teaching expertise of the faculty," "the teaching experience of instructors", and "the support of administrative staff "were all found to be a major influence on students' choice of their host institutions.

The importance of total costing of study was supported by dozens of studies (Bourke, 2000; Conard and Conard, 2000; Moogan, Baron, and Harris, 1999; Licata and Maxham, 1998; Australian International Education Foundation, 1996; Kallio, 1995; Rickman and Green, 1993; Stewart and Felicetti, 1991; Steadman and Dagwell, 1990; Struckman- Johnson and Kinsley, 1985). As a key provider of international education, Australia still maintains its comparative advantage on the total costing of study. It was cheaper than most of its competitors, namely the United States, the United Kingdom, and Canada, although slightly more expensive compared to New Zealand.

Campus location also was a major influence on students' choice of their host institutions (Bowers and Pugh, 1973). Comm and LaBay (1996) ranked location as number 17 amongst 32 choice criteria. King, Kobayashi, and Bigler (1986) reported that students gave 2.5 ratings on a three-point scale to geographic location as an influence on students' choice of higher education institutions.

Past studies indicated that the opinion of family and friends was a major influence of students' choice of host institutions (Kellaris and Kellaris, 1998; Licata and Maxham, 1998; Steadman and Dagwell, 1990). In Australia, the influence of parents and friends was one of the three main reasons for students' choice of their Australian institutions (Shanka, Ali- Knight, and Pope, 2002). Studies over the last decade also concluded that the opinion of friends was a major influence on students' choice of their host institutions (Bourke, 2000; Moogan, Baron, and Harris, 1999).

2.6.2 Individual Motivation for the International Education

There are several reasons why students choose to study abroad. The first reason is the unmet demand of the domestic market. Every year there are more than several million international students worldwide. Almost half of all cross-border educational flows consist of students from Asian-Pacific countries, including several large nations: China, India and Indonesia. There is significant unmet demand for tertiary education, especially in China, but also much demand

for English-language education even in countries such as Korea and Japan with good quality and capacity in domestic higher education (Marginson, 2004).

Further, education, particularly higher education has become an individual investment. In much of the Asia-Pacific, the habit of private investment is entrenched. In Korea 70 per cent of domestic spending on tertiary institutions is private, in Japan 56 per cent, in Indonesia 56 per cent, in China 43 per cent (OECD, 2003). As higher education is regarded as an investment, each family has to calculate the cost-benefit carefully because this is a one-shot investment and each student has no second chance to restart his/her life. When students and their parents select a certain institution in one country, they have to calculate the expected return and cost. Every one expects the time and money invested in education to pay a return, and this return should have a positive net effect on the opportunities for satisfaction of human needs. Normally, return will be separated into two categories – monetary returns and non-monetary returns. Under the human capital approach, most economic analysis on the value of education has focused on the contribution of formal schooling to increased earning capacity in the labor market. Longer schooling improves the chances of employment (Rivera-Batiz 1992, Iyigun & Owen 1999), reduces the duration of unemployment (Kiefer 1985; Kettunen 1997) and positively influences income through higher labor market earnings.

Economic benefits are not the full picture of the return from higher education. The benefits could also consist of direct additions to welfare possibilities. The non-monetary benefits of education (NMB) may be defined as those educational outcomes for which the full economic impacts escape pecuniary measurement. Extensive enumeration and discussion of evidence on NMBs may be found, among others, in Michael (1982), Havenman and Wolfe (1984), McMahon (1998) and Vila (2000). To date, two main approaches are found in the literature on the NMBs of education. First, a number of studies focus on those benefits that accrue to the person being educated, and to other identifiable beneficiaries, from individual investment in schooling. Sander (1999), Nayga (1998), Grossman and Kaestner (1997), Kenkel (1991) and Berger and Leigh (1989) are examples of studies providing evidence on the effects of higher education on health status.

After analyzing the potential returns, students and their families also need to calculate the cost for transnational education. The cost includes the direct part and indirect part. The direct costs are countable – tuition fees, books and materials, living expenses and travelling fees. The indirect cost is the opportunity cost of the foregone earnings.

2.6.3 Transparency and Information

However, the decision-making process is not as easy as it might be expected even if ‘cost and benefit’ has been taken into account. The degree of transparency in the market, therefore, is an important characteristic that affects individuals’ ability to make an informed choice about the kind of program that suits them and where they can enroll for such a program (Jongbloed, 2006). Transparency in program supply not only relates to a full and reliable overview of program offerings but also to information on the quality of programs and graduate career perspectives. Therefore, multiple information sources are required to strengthen student choice. They involve reliance on other people’s guidance, such as parents, friends and education agent, direct interaction with universities through university open days or campus tours, open-source data such the university web pages and commercially ranking systems and databases.

The information itself can generally be divided into objective and subjective components (Jongbloed, 2006). Objective information components purely descriptive information such as HEI’s contact information and the application process while evaluative information is provided to help prospective students compare higher education providers or their programs on what are deemed to be relevant criteria. Data on student/faculty ratios or library holdings would fall under these categories. Evaluative information is provided so that individuals can seek out providers or programs that are more likely to fit their preferences and needs. Subjective information frequently obtained from the people surrounding students or hands-on learning. The available evidence reported in Jongbloed et al. (2004) suggests that individuals get far more out of on-site visits to universities and face-to-face interactions with secondary

education career counselors, parents and even their friends than they do from comparing student/faculty ratios or enrolment distributions across various undergraduate programs. For making informed choices, students will first have to define their own educational demand and preferences, this requests skills and preparedness on the part of (prospective) students. It relates to the question of whether teachers, career consultants and other individuals in the environment have informed students during their educational career about educational and career options. One thing makes this decision making process more difficult – higher education is a so-called experience good, which means individuals cannot immediately value the education they purchase; they can only figure out if they have made the right or wrong decision after they already invested and unfortunately it will be too late to change . This potentially gives education producers a great deal of incentive to maximize their own gains by offering a substandard product to the students. In other words, information asymmetries lead to the supplier advantage over demander side. In this case, the individual's only option is to estimate what an education in a particular program or from a given institution will likely be worth (Jongbloed, 2006).

2.7 Australian Higher Education in the International Market

Institutions, and national higher education systems, are globally connected; being simultaneously implicated in local, national and global activities (Marginson and Rhoades, 2002; Marginson and Sawir, 2003). Over the last twenty years, there has been strong growth in international education. According to the OECD there were 2.7 million tertiary students worldwide enrolled outside their country of residence in 2004, an increase of 41% since 2000 (1.9 million students) and over 200% since 1985 (0.9 million students) (OECD, 2006). Not only has the global market had dramatic growth, as a national market, Australian higher education sector has grown rapidly as well. No doubt, Rome is not built in one day. Under continuous reforms, the Australian higher education system faces a more quasi-market and strives to attract more intelligent international students.

2.7.1 The Emergence of the Australian International Education Industry

Until 1985 Australia's involvement in international education was tied to the provision of overseas aid. Almost all overseas students studying in Australia were either fully or partly sponsored by government aid programs (Industry Commission, 1991, p. 17). A major policy shift occurred in the mid-1980s with the release of the Jackson (1984) and Goldring (1984) reports. At that time, Australian universities received 85 percent of their funding from public sources and charged no tuition fees. The government saw the potential for developing a new export industry, while also hoping that Australian universities would help Australian business to become more effectively engaged in Asia. Australian embassies in Asia were mobilized to help recruit students, and universities were encouraged to adopt business-based strategies. In 1987, the Federal Minister for Education, Employment and Training, John Dawkins, commenced a process of reforming the Australian higher education system. One of the main changes was the plural funding and selected tuition fees. In place of 90 per cent government funding, the government deregulated fee charging for international students and postgraduate vocational students. Institutions were free to set their own fees and to expand fee-paying international enrolments as they saw fit (Marginson, 2004). Meanwhile, the government introduced the Higher Education Contribution Scheme (HECS) to cover part of the cost of undergraduate tuition. Throughout the 1990s, public funds remained scarce: per-student public funding in Australian universities in 2002 was at half the level of fifteen years ago (Marginson, 2002).

Also, the 1996 budget halted growth in government/HECS-funded places and reduced the average rate of funding. University leaders realized that increasing market-generated income could be the only chance to fill in the public funding shortage. As a result, between 1996 and 2001 the number of domestic students, restricted by fiscal limits on government-founded places, grew slowly, from 580,906 to 614,076 (5.7 per cent) while international students number jumped from 53,188 to 112,342 (112.2 per cent). As a result, in 2005 there were 164,000 oversea students coming to Australia for tertiary education which increased fourfold relative to the number in 1995.

2.7.2 Positional Competition in Higher Education

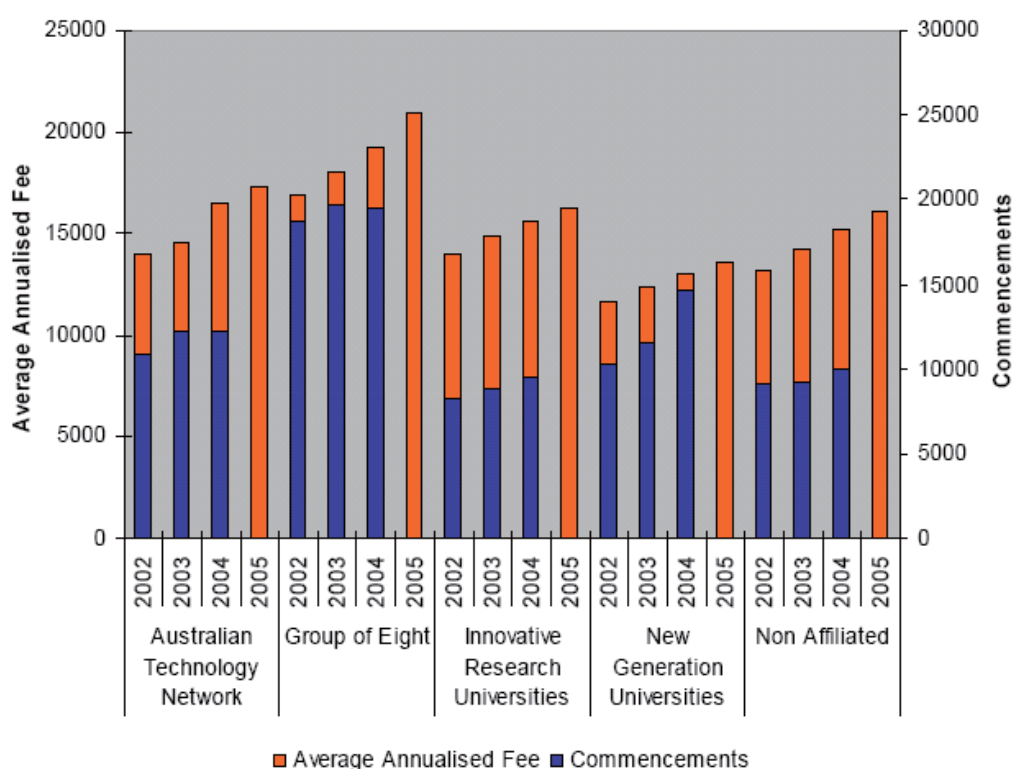
While the international market was growing, the competition for international students simultaneously increased. Universities strive on the one hand for social and academic prestige, on the other, for economic capacity and revenues. Revenues help the university to build prestige and prestige is instrumental for gaining revenues (Marginson, 2004). In the Australian higher education sector, the segmentation is shaped by history and funding. The elite institutions, the 'Standstones' or Group of 8 – Queensland, Sydney, New Southern Wales (NSW), Melbourne, Monash, Adelaide, Western Australia (WA) and Australian National University(ANU) – are the older foundations. Besides the top group, there are other groups, which include: Australian Technology Network, Innovation Research University, New Generation University and Not Affiliated universities. The vertical divisions between segments are maintained by the character of positional goods. In the upper segment, the Group of 8 in particular, the market is not contestable because they take advantage of their positional strengths and have higher priority in the public funding. The lower segment, on the other hand, limited by low positional value and low social support, they have little bargaining power to get public funding, for example, the government's Institutional Grants Scheme (IGS), because it is allocated competitively on the basis of research performance. This kind of positional competition results in significant differences in the international market. The upper segment not only enrolls many more international students than the lower segments, but also they charge higher tuition fees than the lower ones. Australia Education International(2005) indicates that although stronger growth is occurring in those institutions where fees are lower, the upper groups still enjoy more revenues from the full-fee paying international students.

2.7.3 Why has Australia been Successful?

Australia benefited from a productive coincidence of supply factors under its control, and demand factors outside its control (Marginson, 2004). Since the launch of Colombo Plan which was instituted as a regional intergovernmental organization for the furtherance of economic and social development of the region/nations, Australia has hosted Asia-Pacific students and later on universities moved quickly and effectively towards commercial ways in the mid of 1980s. Also, the government ran a generous visa policy and made international

education a doorway to migration to Australia. In 2004, there were 42,300 overseas students who had completed their higher education course. Of these, 34% (14,400 students) were approved for permanent residence onshore under selected skilled categories (Birrell, 2006).

Figure 1: The Average Annualized Fee against the Commencements for Australian Higher Education Sector



Note:

1. The average annualised fee is calculated by taking the course tuition fee (as of the 1st of each year) and calculating the fee over one year. This enables comparison between courses of different course lengths.
2. The commencements are for the full calendar year. Full year commencement numbers for 2005 are not available.

(Source: Australian Education International, 2005)

However, the most important supply-side factor was the financial incentive. As noted, public funding per student was trending down (Marginson, 2002); and the result of international marketing in terms of the increase of international students enrollments became the main

source of discretionary revenues. Above all it is this factor that explains the entrepreneurialism that gripped Australian universities in the 1990s (Marginson & Considine, 2000), which brought entrepreneurial behavior into Australian universities on a broad basis.

On the demand side, Australia enjoyed the export price advantage. Total fees and living costs were more than one-third cheaper in Australia, creating a decisive advantage relative to the USA and UK (IDP, 2001). Another comparative advantage was its geographic location (closer to Asia) and its secure and stable society.

This suggests that the spectacular growth of higher education in Australia was not grounded in superior quality, but in burgeoning demand, business acumen driven by a combination of scarcity and opportunity, an adequate quality English-language product, a good location and a cheaper price (Marginson, 2004). Nevertheless, Australian universities became aggressively entrepreneurial, and their business-related functions, pursued behind and around the academic functions of teaching and research, began to dwarf traditional faculty activity. In the past fifteen years, there has been an immense growth and professionalization of functions such as marketing and recruitment, offshore operations, finance and asset management, and quality assurance. Non-faculty staffing has grown faster than academic staffing and now accounts for almost two-thirds of all labor hours in Australian universities (Marginson, 2002).

2.7.4 Recent developments in Australian higher education

Today, Australia is the world's third most popular English-speaking study destination, and the fifth most popular overall. There were 491,565 international students studying on a student visa in Australia in 2009, an increase of 13.3% on 2008 figures. Being the largest international student sector (almost 34% of enrolments in 2008), the Australian higher education system catered for 196,007 international students for tertiary education, which was an increase of 12.2% comparing to 2008. Students from China and India dominated in the higher education sector with contributions of 31.2 per cent and 13.5 percent respectively. The top three fields of study were business administration and management; computer science and information

systems; and engineering and surveying. More than half the students studied for a Bachelor degree and more than a third studied for a Masters degree (Coursework). However, enrolments in doctoral degrees increased by 15% in 2008.

The size of Australia's higher education institutions has also grown significantly. Whereas the average student enrolments for each institution in 1986 were 5,400, this figure had risen to 15,000 per institution by 1991 (ABS, 1992). In the three most populous states of New South Wales, Victoria and Queensland, the average number of student enrolments per institution was 28,454 in 1991 (ABS, 1992).

Referring contribution to the Australian economy, international education activity contributed \$15.5 billion in export income to the Australian economy in 2008, up 23.4 per cent from 2007. Over the last decade, education exports have grown at an average rate of 15% compare to an average rate of 6% across all services exports. Higher education currently brings in the majority of revenue from international students (63%) and is probably the most vulnerable to any downturn in international student numbers. Universities rely on international student fees for about 15% of their funding, and in some individual universities this proportion would be much higher (McKenzie, 2008). As well as being an important revenue source, overseas enrolments can help educational institutions reach the critical mass needed to diversify the range of educational programs offered to all students (OECD, 2006). The presence of international students offers a further benefit to all students, as well as the community more generally – an opportunity to experience and expand knowledge of other cultures and languages. International students foster cross-cultural understandings and connections vital to expand business, diplomatic and academic links with the rest of the world.

2.8 General research questions

The above paragraphs address the fact that there are two sides in the international higher education market, institutions as the supplier side and international students as the demand

side have their own objectives and marketing may be regarded as the media to achieve both sides' objectives. The use of marketing seems to achieve institutions' objectives by analyzing, planning, implementing and controlling formulated programs. On the demand side, international students are willing to better understand their choice of institutions and need the information from the supplier side. Therefore, institutions may apply marketing practice to meet and satisfy the target market's needs and expectations and in turn international students may be better informed by more information provided through institutional marketing. According to Mazzarol, Soutar and Thein's (2000) research, they identified a series of key factors considered critical to the successful marketing of institutions and they implied that the marketing practice was related increasingly to enrollment. Nevertheless, a comparison of institutional and student views on the critical successful marketing factors concluded that significant differences existed between the two groups. However, a principal limitation of the research was the use of two separate surveys to gather the comparative data. This made direct comparison of how a given institution and students in the institution viewing this issue difficult. Therefore, in this thesis, the direction comparison of institutional view and international student view is necessary and the discussion between the critical successful factors in marketing of an educational institution summarized by Mazzarol, Soutar and Thein (2000) and the factors influencing international student choice in previous studies is concerned as it may be possible to find the potential connection between marketing of higher education and student choice.

The purpose of the research is to study the relation between the marketing practice and international student choice and it may indicate that using marketing strategy in higher education is one of the tools that may help higher education institutions survive, even succeed in an increasingly competitive environment.

Based on this comparison, the main research objective is to better understand the relationship between institutional marketing practice and the student choice for college. There are three specific objectives to study:

- (1) The relation between marketing practice and international student choice for a certain college, and to what extent is a direct or indirect relation.
- (2) To what extent appropriate marketing practice has a positive effect on the enrollment of international students.
- (3) To what extent appropriate marketing practice informs international students' decision making process on college choice.

3. Design and Methodology

3.1 Monash University Study

To discuss the relationship between marketing and student choice, Monash University is analyzed in this study. There are several reasons why Monash University is selected as the case study object. First, it is experienced in developing itself into the global market for international students; second, it already owns several successful factors in marketing in accordance with the previous theory; and last but not least, as Australia is one of the successful countries to attract international students, I can analyze how the university competes with both domestic and international institutions.

1) International Engagement

In an increasingly transforming and competitive environment, Monash University is thinking about international engagement and aiming at being a 'truly international university'.

Established in Melbourne in 1958, Monash is Australia's most internationalized university. It has eight campuses including one in Malaysia (open in 1998) and one in South Africa (open in 2001), and a centre in Prato, Italy. Strategic partnerships with India and others currently under negotiation with partners in China and North America will provide that Monash with a physical research presence on five continents. Each partnership aims to establish leverage off Monash research capabilities to benefit both the host nation and Australia. Meanwhile, Monash has introduced a new mechanism called Global Partnership Framework together with Warwick University (UK), Arizona State University (US), and Sichuan University (China) to

promote sustainable research and education partnerships based on this premise, and to promote them with a global network.

Besides the international alliances and Global Partnership Framework, international students and international staff feature Monash as the most cultural diversified university in Australia. In 2008, Monash had 56,573 students in total and 19,079 (33.7%) of them came from over 170 countries. Among all international students, 61.8 per cent of them enrolled in Australian campuses, 31.2 per cent enrolled in campus in Malaysia and Southern Africa and the rest 7 per cent enrolled with offshore partners. The international student experience is vital to Monash life -- both in terms of the number of students who leave Australia to study abroad and those from abroad who come to Australia. The top source countries include Malaysia, China, Singapore, Indonesia and Hong Kong and one-fourth of them enrolled in postgraduate coursework programs and three-fourths enrolled in undergraduate programs. On the other hand, international staff is meant to create an energetic and dynamic university. Monash actively recruits staff from around the world and currently employs more than 14,900 staff worldwide (7, 270 full-time equivalent). The international administrative staff is able to facilitate students' requirements and daily operation in a more flexible way and the global academic team provides students a more global perspective and multicultural oriented thinking.

Another feature of international engagement in Monash is its international curriculum. Monash has developed curricula to prepare graduates for the global workforce, or for further study. Innovative programs such as the Bachelor of Arts (Global) combine a specialized global curriculum with the opportunity to spend a semester or more studying at Monash's global campuses and partner institutions abroad. Thanks to its international curriculum, many alumni are working in leadership positions around the world and at the same time enjoy the benefits from a worldwide alumni network (235,000 graduates).

Above all, the international engagement in Monash, according to them, represents three important elements that form the core of international research and international education: mobility – creating the opportunities for students and staff to travel beyond their borders,

collaboration – forging new partnerships and mutual respect, and contribution – equipping graduates with relevant skills and values to society and leading in providing more educational opportunities.

2) Well-organized structure and explicit division

The university has a clear organization chart regarding the marketing and student recruitment. Titled as office of divisional director, marketing and student recruitment, the web page from Monash University lists the following departments:

Student Recruitment

- Abroad Office
- International Recruitment Service
- Student Recruitment
- Onshore Recruitment
- Offshore Recruitment
- Postgraduate Recruitment

Marketing

- Advertising
- Design and Publishing
- Media and Communication
- Photographic Service
- Web Centre
- Video Production

This hints that the university not only pays attention to the international student recruitment (individual office from general student recruitment office), but also relies on marketing strategies to better the recruitment process. Generally speaking, there exists the central marketing office, while the academic and administrative sections have their own marketing objectives and tasks. For the international recruitment, the student recruitment office makes the marketing plan and then delivers it to the marketing department; the latter will turn it into practice. The coordination between student recruitment and marketing office has some advantages. The student recruitment office has the direct connection with prospective students and it has the first hand information to better understand student choice and student needs. Then, the marketing team takes responsibility to utilize various marketing tools and assist the recruitment office efficiently promoting the university and offer prospective students more useful information.

3) Fierce Competition from both domestic and international market

The competition in the field of international student market is increasing. Prof. Stephanie Fahey, Deputy Vice Chancellor (International) of Monash University mentioned in one of her speeches (2009) that there are clear moves from competitors both within Monash's region (New Zealand, Singapore, Malaysia, South Korea and China) and the rest of the world (UK and Europe and North America) to market more aggressively in the international student markets. Although Australia has become one of the top five most popular destinations for transnational education, the total number of foreign students enrolling in Australia is still much smaller than its rivals the USA and the UK. In this circumstance, how Monash identifies its uniqueness and promotes itself is worthwhile of study. Besides, the export of education industry is Australia's third largest export industry and it is already the number one export in the region of Victoria. Therefore, Monash has to face the fierce competition for international students from domestic HEIs. Again, how to catch international prospective students' attention and to present to them its core competences will be the issue.

In the last three decades government has transformed the public sector by imposing market-based models as a means of inducing efficiency and economy for the public purse. These changes have impacted tertiary education by introducing diversity in offerings, in participation and in operational structures. As a consequence, universities are increasingly 'customer-focused' as they compete with each other and, in addition, with emerging industry-based alternative suppliers of tertiary education (Demiray, Nagy, Yilmaz, 2007). Therefore, the Australian higher education system seems to be a very good case study to analyze the relationship between higher education and marketing.

3.2 Methodology

As this thesis is mainly concerned with the relationship between the institutional marketing practice and international student choice, the data collected and analyzed for this study came from administrative staff and international students. Both studies used a combination of quantitative and qualitative research approaches.

In the first part of the study, in-depth interviewing was utilized. The invitation letters for participating in the research project interviews were sent separately to twenty seven experienced administrative staff that were selected from departments relevant to marketing and international recruitment. However, only three of them replied with positive feedback and willing to be interviewed. Most of the staff was unable to participate due to two reasons. Most of the information the researcher is seeking from the University is considered commercially confidential, hence the staff is unable to share it with any third party. Another reason was that some staff has regular business trips all year around, particularly those who work for the offshore recruitment office. Therefore, it was almost impossible to find a time to interview them. Nevertheless, the data from institutional part study was contributed by three administrative staff working in three different departments.

The main questions of the interview were pre-set semi-structured (See Appendix 1) and were sent to the participants in advance so as to reduce the possibility of misunderstanding and unclear matters during the interview. As mentioned before, due to the confidentiality, sensitive questions such as the marketing strategic plan and the marketing financial plan were modified and more general questions were used, such as the opinions of the staff concerning the relationship between marketing and student recruitment, how to identify students choices, etc. The question design was based on the four steps of the marketing plan process, namely the analysis, planning, implementation and control. Moreover, respondents shared their opinions of the successful marketing factors and their perspectives of the development of international education market and the future of the University.

In the second part of the study, a convenient sampling was used. 45 questionnaires were hand-delivered to international students currently pursuing their degree-level studies in Monash University and 38 were completed and returned, giving a response rate of 84.4%. The questionnaire focused on three broad areas of concern identified in the research literature of the marketing and student choice (see Appendix 2): the factors influencing choosing Australia, the factors influencing choosing an institution, the student choice and marketing practice. Questions 1 to 5 established the individuals' age, gender, country of origin, level of study and

field, and if a family member lives in Australia. Question 6 asked about the issues motivating students' decision to choose Australia as their study destination. Questions 7 to 15 related to the student choice and marketing practice. Students were invited to review the kind of sources of information they used for their decision making process. Question 16 was designed for factors influencing the choice of an institution. A Likert scale was used for this question. Question 17 asked about if students have sufficient information for decision making and their suggestions for the university to improve the recruitment process. Question 18 was an open-ended question asking students to nominate some advice or support they would suggest for the university to improve the recruitment process. After completing the questionnaire, the student participants were asked whether they would be interested in participating in an interview. Three graduate students and three undergraduate students participated in the interviews. The interviews were semi-structured and the interview format was individual interviews.

3.2.1 Key Findings from the In-Depth Interviews

The in-depth interviews provided important insights on the general marketing plan and the relationship between marketing practice and international student decision-making process. In general, the respondents indicated that marketing practice was already applied in daily operation and it did have some efforts on international recruitment. Taking advantage of appropriate marketing tools, the University could identify students' needs and wants and assist them in making a decision on choosing programs.

The main questions are addressed based on the marketing definition defined by Kotler and Fox (1985) which included the process of making a marketing plan – analysis, planning, implementation, and control and the purpose of marketing – meeting the international students' needs and desires by means of providing effective marketing mix. The interview began with the question if marketing, criticized by some researchers as a commercial concept, is suitable for higher education, all participants in the interviews commented that the marketing was very important to higher education as well as international recruitment. What

follows is some of the comments regarding the effort of marketing in the field of higher education and international recruitment:

“It (Marketing) is very suitable for higher education. Internationally there could be issues, since marketing laws in Australia restrict the claims that can be made, which may not be the case elsewhere.”

“Marketing is a way of informing prospective students about their many options.”

Referring to how marketing influences the international recruitment, a marketing plan was necessary and critical to assure the success of international recruitment. First of all, the setup of objectives of the marketing plan was needed. Our interviewees gave the following comment:

“Generally, however, it is necessary and important to reach as many prospective students as possible and inform them about what the University is and what it can offer.” However, “It is in the interests of the university to attract the top students.”

From the above comment, the objectives of Monash marketing plan is quite clear – attract as many top students as they can. This means that the university sets up its target market as the top international students. Then, the University should do more about the analysis of market environment. Firstly, market research was analyzed by the marketing department as well as external marketing consultant company so as to make sure they completely understand the market. As the University has a large amount of international students from various countries, how to identify their needs and wants should be very crucial to the marketing plan. One interviewee mentioned there were several ways how Monash University identifies prospective students’ various needs. The first one is the international development office. They have specialized staff to look after international students. As most international students are living abroad, there also exists online staff who may answer inquiries from students all over the world and multimedia is accessible from the internet. Besides the virtual connection, education advisors from the University and sometimes faculty staff as well come to the seminars in

particular countries to meet perspective international students and their parents. Another offshore link is the agents. Monash University trains these international agents and then they represent the university and provide students one-to-one discussion. All the efforts imply that Monash University tries to be connected with international students by all means.

Integrating all this information, the next step was the SWOT analysis. The main strengths mentioned by staff are the size of the university and range of courses, the international engagement and the capability to identify student needs. The weaknesses are the relative youth and newness in the market and perhaps its ambitious and multiple campuses. The opportunity is driven by the global economic crisis so as to the University could enjoy the comparative advantage of education pricing. The threat would be the more fierce competition in the market. What follows is commented by the respondents:

“The University’s greatest strength is the size of the university and range of courses that is offered. It has ten faculties and hundreds of courses, including many double degrees. The number of campuses also means that there are more places for students and some choice in the affordability of the region and atmosphere of the campus. Another strength is the pathways that are available for both domestic and international students who cannot initially meet the entry criteria.”

Another interviewee regarded the involvement in international education as the university’s strength. The university strives to offer more academic programs, provide some opportunities to both students and staff experience abroad, develop the tight relationship with agents and business organizations. Also, as the number one Australian university regarding the number of international students, Monash focuses on the global perspective and is ready to face international challenges.

“It (identify students’ needs) could be our strength...”

“The University’s weakness is its relative youth and newness in the education market. Other major competitors can ride higher on their longevity and reputation than the University can. Also the popularity of the University from domestic students drives up the entry requirements, increasing competitiveness for students, which eliminates many students from the market – this is a weakness from a business perspective, but is also a strength as it strengthens the University’s reputation as a high quality institution.”

One respondent answered that the ambition of internationalization can be a weakness or strength. As Monash University has multiple campuses located in several countries, it could be an excellent advantage to offer more international environment to students with plenty of resources. One may doubt the use of resources distributed in several countries and the system operation will not be easy to manage.

Comparing to other international competitors, the opportunity of Monash University in the field of international education was the global economic crisis. One respondent explained that as a top 50 well ranked university, choosing study in Monash is much cheaper than going to Harvard and Stanford. More than the relatively cheaper tuition fee, the living expense and the weather are attractive as well as that the University is able to take advantage of all these factors.

When the University has the roughly idea of the marketing plan, then the budget setting will be made. As mentioned before, the University does pay attention to the marketing practice. Every year several hundred thousands Australian dollars are spent on marketing matters. Although during the interview, the exact expenses were not mentioned by the respondents, we still got some examples of marketing expenses from the University Annual Report. In 2008, the University spent a large amount of money on consultancies. It paid AUD 159,956 to a specialized communications company for the market research on the University brand (There is AUD 76,000 future commitments to pay in the coming years); Another AUD 102,700 was spent for the development of the University relationship and contact management strategy and

implementation plan. Besides, other relative expenses such as advertising, marketing and promotions (AUD 11,073, 000) and travel (AUD 37,152,000) were large expenses as well.

On the implementation stage, the interviewees commented that the recruitment process actually is not a semester-by-semester, but more like an everyday task:

“We do a lot of programs such as going out and having future students engaged with the university...preparing for workshops... that kind of stuff goes for all year. Open day, of course, is another big issue. (We) prepare brochures, visit schools, visit agents and host them on campus. ... Actually we do find that actually the international enrollment is stronger than the domestic enrollment, (therefore) I have to go it all year.”

For offering better source of information, the University tries to create as many communication channels between future international students and the University. Also, the University tries to help the new students adapt themselves into the new study life:

“...The international development (office) takes care of everything from when international students arrive in Australia, university staff will pick them up in the airport; they have some fun stuff such as talking about Australian culture and law... At the same time, there are a lot of opportunities for people to speak face to face. That will be having people who really knew the area in the position to be able to give very critical advice. It would be seminar, but there always be opportunity to see one on one. Sometimes we have the people from the university themselves who go and show up in the seminar to parents and students in particular countries, some faculty staff go there as well because they will know their courses even more detailed than the recruiters. We also have what we called the agents, they are international agents and the University trains them to represent the University, they can provide one-on-one discussion. ”

“We have student representatives for the international students and of course... (we have) the international student association and this is a part of student association. What they do is getting together and looking after the issues. They organize culture event, help (international students) study skills, and they also work on integrating all the students together. International students can go for peers when they are not sure what they should do, they provide not only academic support and language learning support but also life support particularly when you move to another country, you may have a little bit cultural shock. So they will help them in those situations as well.”

The last but not least step of a marketing plan is the plan's control, which ensures the expected objectives are implemented successfully within the financial and timing setting. One staff generally explained how the University works for this step. There is an international student database for analyzing the source of origin and the students' capability. When the period of enrollment finishes, staff will input the new data into the database and then compare the difference between the current data and the history data. Not only compares the students' information, the expenses on marketing is also reported after the enrollment procedure and the actual cost will be the reference for the coming marketing financial budget.

Regarding the changes of the University international recruitment and the future development of the market, interviewees expressed positive view on the continuous increase on the market.

“The country of origin has changed over time. Most recently there have been large increases in student inflow from south East Asian countries. Prior to that, the major growth was from China and then India.”

“(Referring to the country of origin), we have some emerging market, such as African country and one of them is already in top 10 source country (Zimbabwe was ranked number ten in 2009). Asian market is still the main source, including China, Malaysia, Singapore, Indonesia, Hong Kong and India and Sri Lanka.”

“There has been a lot of growth in international students sourced from onshore – international students who complete year 12 in Australia. There are also more students coming for postgraduate studies than before. The growth from South East Asia is likely to continue to grow.”

“Referring the (change of) field of study, Business and Administration is always a strong, IT is still strong, but that field in generally is dropping. The needs for Engineering and Education are increasing as interest. Also, in the postgraduate level, the Media and Communication is growing. Another major is being Public Relation.”

“(In the future) the international market remains strong ... Just look at the population in the region and the attitude towards education, they do look forward to going oversea and getting an international recognized degree...”

In the last part of the interview, respondents were asked to rank the importance of successful marketing factors. However, they expressed the quite different opinions. Someone ranked the marketing activity the most important among six factors, followed by market image, technology and people, ability to offer a broad range of courses, student body and campus and course. Someone placed the ability to offer a broad range of courses in the higher priority, then ranked market image, student body, campus and course and regarded marketing activity and technology and people as the less important factors.

Regarding the market activity, there were significant differences among the interviewees. They all ranked the use of private recruitment agents and the setup of the international strategic alliances as the most helpful market activities to help the international student recruitment and placed the offshore teaching programs as less helpful activity. However, considering the possession of a large market share and being a pioneer of early entrance in foreign markets, they had quite opposite points of view. The supporters for these two activities (the possession of a large market share and being a pioneer of early entrance in foreign markets) highly recommended these activities and ranked them as the most helpful marketing

activities while another staff thought they were less useful as the target for international students, as the University is interested in the most brilliant students; therefore, the size of the market share and if the University is the pioneer in the market is not that important.

3.2.2 Key Findings from Questionnaire

The data were analyzed for three variable groups: (1) gender, (2) study level and (3) source of origin. Among 38 student participants, there were 22 male students (57.9%) and 16 female students (42.1%). 22 students are in the age group 21-25 (57.9%), 11 students are in the age group 17-20 (28.9%), and there are only 2 (7.9%) and 3 students (5.3%) in the age group 26-30 and 31-35 respectively. Most students are self-funded (71.2% by parents and 7.9% by self), only one student got an Australian scholarship and one got a home country scholarship. Referring to the source of origins, there are 15 Chinese students, followed by 7 Indonesian students, 6 Indian students and 4 Korean students. Also, the remaining 6 students come from six different countries: Malaysia, Singapore, the USA, Vietnam, Philippines and Mauritius.

There are three dimensions compared among three variable groups: factors influencing choice of Australia, factors influencing choice of an institution and student choice and marketing practice. All factors are tested with Kolmogorov-Smirnov test (k-s test) for normality of distribution. However, due to the sample sizes, most of factors are not normally distributed and therefore both t-test and ANOVA test are not applicable. To this extent, the results are only based on descriptive analyses.

1. Factors influencing choice of Australia

The choice of Australia was influenced by the factors weather and climate, living environment, English-speaking country, proximity to home, the opinion of others, total cost of studying and other reasons such as the student visa is easy to get and good education system. Among all these factors, the English-speaking country had the most important influence on international students' choice of Australia, followed by living environment and weather and climate. Besides, international students were also asked if they have family members living in

Australia. This was found to be one main consideration in influencing student choice in previous research. However, in this survey, the finding indicated no obvious influence on students choosing Australia as their study destination. Last but not least, the geographic advantage of Australia has influenced certain Asian countries such as Indonesia and Singapore.

There were some differences in how each group of students viewed the importance of these factors in choosing Australia. As this was a multiple choice question, the percent of one factor was calculated based on total factor frequency. When we compared the choices made by male students and female students, more than half students chose Australia as their study destination because it is an English-speaking country, and the frequency rate of this factor weighed 25% in all male students' choices and 38% in all female students' choices (refer to Figure 2 and Figure 3). The second most popular reason for choosing Australia was different between male students and female students. Half male students ranked living environment while female students chose weather and climate as the same times as total cost of studying. Between male students and female students, the significant differences regarding factors of choosing Australia were living environment and proximity to home. More male students regard living environment as a more important consideration for choosing Australia as their study destination than female students. Besides, four male students chose proximity to home as one of their destination consideration factors while no female students chose this factor.

In the second group, the level of study indicated there was some differences of international student choice referring study in Australia (as there was only one student enrolled in higher research programs, namely PhD study, we only compared data between undergraduate and masters international students). To undergraduate students, most of them chose the factor English-speaking country as their consideration for study in Australia while in postgraduate student side, the most important factor was living environment and followed by mostly same important factors weather and climate and English-speaking country (see Figure 4 and Figure 5 for details).

In the third group, the comparison of students choosing Australia as their overseas study destination was studied by country of origin. Among 38 international students, there are 15 students from China, 7 from Indonesia, 6 from India, 4 from Korea and the rest 6 students come from 6 different countries: Singapore, Mauritius, Vietnam, Malaysia, the USA and Philippines. Due to the limited samples, we only compared the data from China, Indonesia, India and Korea. Again, English-speaking countries got the highest frequency in almost every group, except India (Table 1). Another interesting point was the choice of proximity to home. All Indonesian students and the only Singapore student considered the importance of this factor while none of the rest considered it as important factor. This may indicate Australia has some geographic advantages on certain Asian countries.

Figure 2: Factors for Choosing Australia – Group 1 Gender (Male students, n=22)

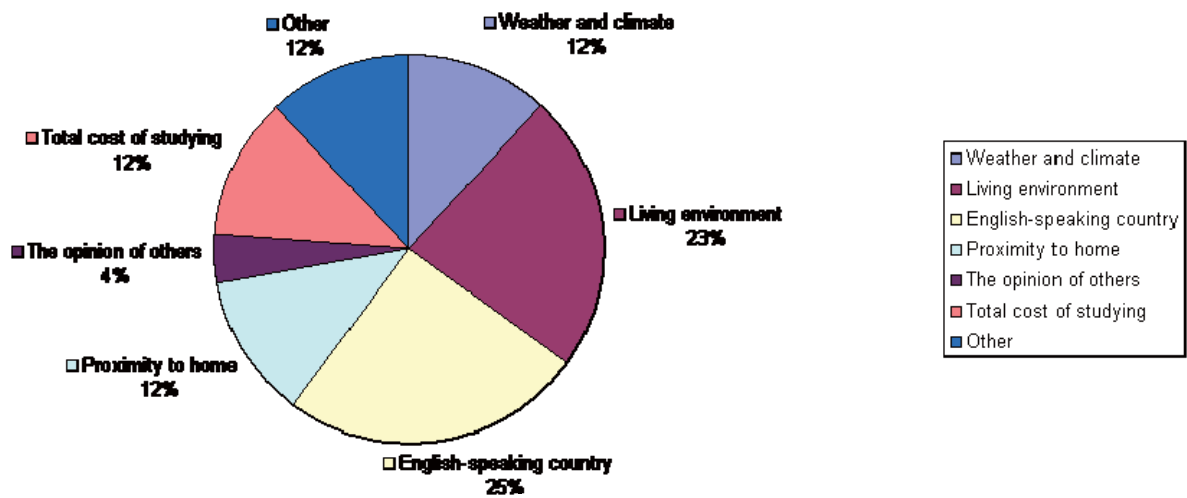


Figure 3: Factors for Choosing Australia – Group 1 Gender (Female students, n=16)

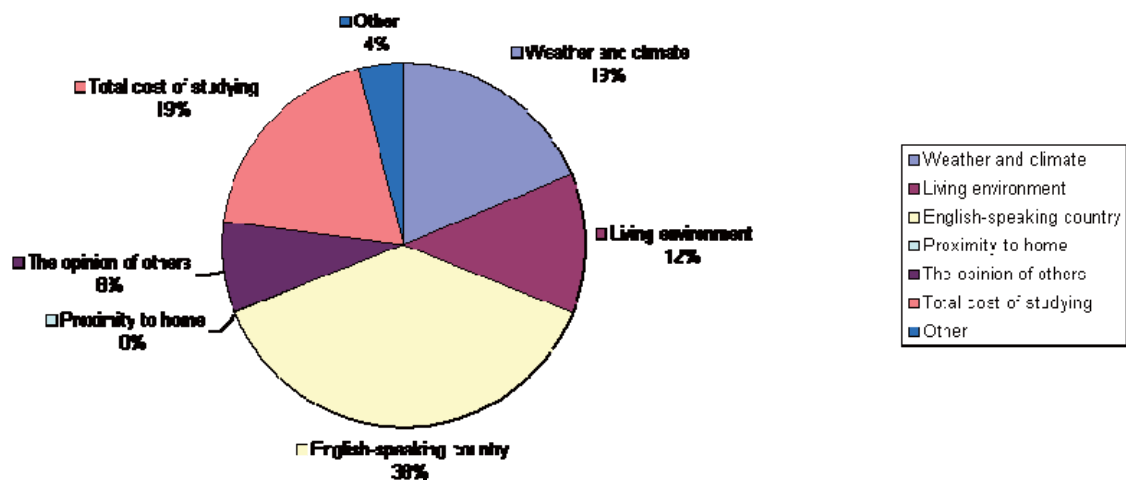


Figure 4: Factors for Choosing Australia – Group 2 (Undergraduate students, n=21)

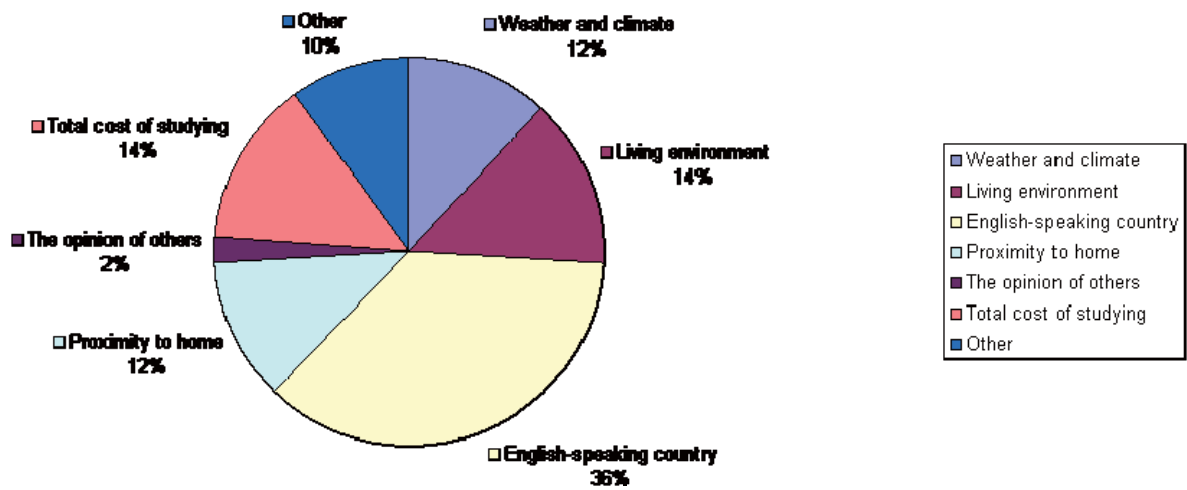


Figure 5: Factors for Choosing Australia – Group 2 (Postgraduate students, n=16)

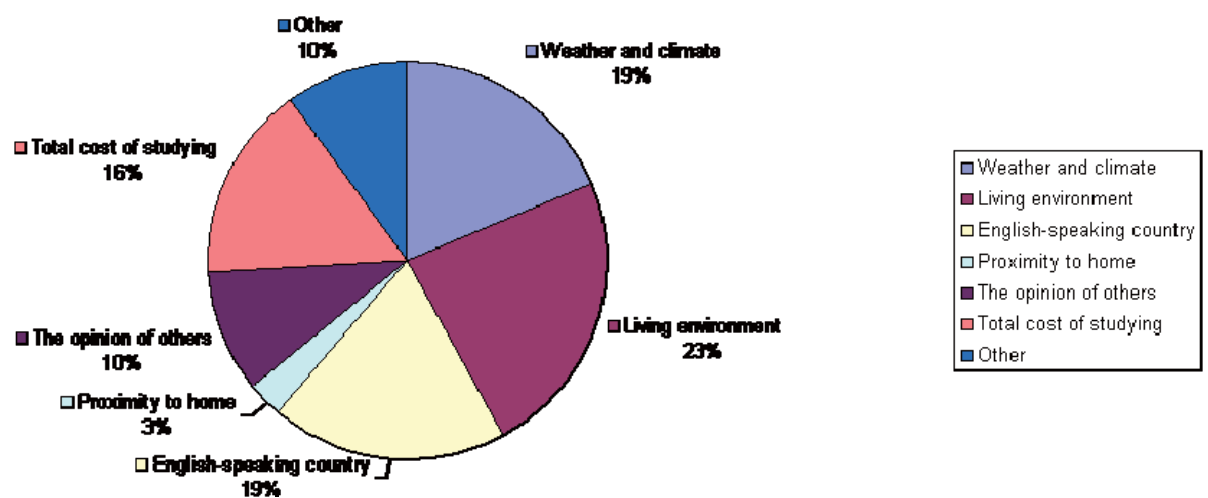


Table 1: Factors for Choosing Australia – Group 3 (Country of Origin)

	Frequency of choice									
Factors	China	Indonesia	India	Korea	Singapore	Mauritius	Vietnam	Malaysia	USA	Philippines
weather and climate	6	0	1	0	0	1	0	1	1	1
living environment	5	3	1	1	0	1	0	1	1	1
English-speaking country	8	6	1	3	0	1	0	1	1	1
proximity to home	0	4	0	0	1	0	0	0	0	1
opinion of others	1	0	2	1	0	0	0	0	0	0
total cost of studying	5	1	2	1	0	0	1	0	0	1
others	2	0	3	0	1	0	0	0	0	0

2. Factors Influencing Choice of an Institution

There are nine key factors related to the choice of an institution: tuition fees and living cost, campus location, quality of education, future development, better study opportunity, personal interest, academic reputation, variety of course and the opinions of others. International students were asked to rank these factors from 1 as the least important factor to 5 as the most important factor. In general, these students ranked the quality of education ahead of all factors, and then academic reputation ranked with a higher importance than better study opportunity and future development.

Significant differences were not observed in three groups. In the first group (see Table 2), male students reported that the most important factors in choosing their school were quality of education and academic reputation, followed by better study opportunity and personal interest. For female students, the quality of education was ranked extremely high with the mean of 4.5 out of 5; future and academic were ranked the second and third important factors, with 4.07 and 4 points respectively. However, one factor got quite different score between the different genders. Male students indicated the 2.87 average score for the importance of the opinions of others during their decision making process while female students only scored 1.93 in this factor. Except for this factor, both male and female students reported similar opinions.

Referring to the level of study, there was not much significant difference between undergraduate students and postgraduate students (Table 3). Both groups ranked quality of education more importance than the others, followed by academic reputation, future development and better study opportunities. The difference between the undergraduate students and the postgraduate students was the factor not important to their choice. Generally speaking, undergraduate students do not receive scholarship and financial aid; however, they ranked the tuition fee and living cost with the lowest importance in influencing their choice of the University. Unlike undergraduate students, postgraduate students indicated their least consideration on the opinions of others and were more confident of choosing the University by themselves.

The last group compared the difference between international students from various countries (Table 4). With the exception of Korean students, all three other groups placed the highest importance on quality of education, which Indian students even ranked 4.75 out 5 in this factor. Both Chinese and Indonesian students placed better study opportunity as the second important factor while Indian students chose academic reputation as the second important factor. The fact that better study opportunity was ranked with the second highest importance by Chinese and Indonesian students was due to the unmet domestic demand on tertiary education, especially in China. Korean students reported that future development was the most important factors influencing their choice of a certain institution than reported by the other three groups of countries. Indonesian students relied heavily on the campus location and this result was in accordance with the factors influencing the choice of Australia. In the previous part, Indonesian students reported the proximity to home was one main reason for them to come to Australia.

3. Student Choice and Marketing Practice

The last but not least part of the questionnaire indicated how international students take advantage of information associated with marketing practice. When international students were asked how they have found about the university, most of them chose education agency and commercial ranking system/database. International students used education agency most to help them obtain information about the university, followed by parents and friends. Before making final decision, most students participated in consulting in an education agency and discussing with parents, high school teachers and friends.

Table 2: Factors Influencing the Choice of an Institution – Group 1 (Gender)**Report**

Gender		Tuition Fee and Living Cost	Campus Location	Quality of Education	Future Development	Better Study Opportunity	Personal Interest	Academic Reputation	Variety of Course	The Opinions of Others
Male	Mean	2.19	2.75	3.88	3.13	3.63	3.50	3.94	3.06	2.75
	N	16	16	16	16	16	16	16	16	16
	Std. Deviation	1.223	1.438	1.455	1.258	1.310	1.211	1.124	.772	1.183
Female	Mean	2.57	2.50	4.50	4.07	3.79	2.93	4.14	2.71	1.79
	N	14	14	14	14	14	14	14	14	14
	Std. Deviation	1.505	1.019	.650	.997	.893	.917	.949	.825	1.188
Total	Mean	2.37	2.63	4.17	3.57	3.70	3.23	4.03	2.90	2.30
	N	30	30	30	30	30	30	30	30	30
	Std. Deviation	1.351	1.245	1.177	1.223	1.119	1.104	1.033	.803	1.264

Table 3: Factors Influencing the Choice of an Institution – Group 2 (Levels of Study)**Report**

Level of Study		Tuition Fee and Living Cost	Campus Location	Quality of Education	Future Development	Better Study Opportunity	Personal Interest	Academic Reputation	Variety of Course	The Opinions of Others
Undergraduate	Mean	2.12	2.76	4.06	3.65	3.88	3.29	4.12	2.71	2.29
	N	17	17	17	17	17	17	17	17	17
	Std. Deviation	1.409	1.200	1.249	1.057	1.166	1.047	.928	.686	1.263
Graduate	Mean	2.69	2.46	4.31	3.46	3.46	3.15	3.92	3.15	2.31
	N	13	13	13	13	13	13	13	13	13
	Std. Deviation	1.251	1.330	1.109	1.450	1.050	1.214	1.188	.899	1.316
Total	Mean	2.37	2.63	4.17	3.57	3.70	3.23	4.03	2.90	2.30
	N	30	30	30	30	30	30	30	30	30
	Std. Deviation	1.351	1.245	1.177	1.223	1.119	1.104	1.033	.803	1.264

Table 4: Factors Influencing the Choice of an Institution – Group 3 (Country of Origin)

Country of Origin	Tuition fee and living cost	Campus location	Quality of education	Future development	Better study opportunity	Personal interest	Academic reputation	Variety of Course	The opinions of others
China	2.50	2.50	4.08	3.83	3.92	3.17	3.67	3.08	2.17
Indonesia	1.60	3.40	4.40	3.20	3.80	3.80	4.00	3.00	1.60
India	2.75	2.00	4.75	3.25	3.00	2.50	4.00	3.25	3.50
Korea	1.50	2.75	4.00	4.25	4.00	3.50	4.00	2.25	2.75
others	3.50	2.75	3.75	3.50	3.00	2.75	4.50	2.75	2.75
Total	2.38	2.66	4.17	3.66	3.66	3.17	3.93	2.93	2.41

Relating to the student choice and marketing practice, gender did not indicate much significant difference (Table 5), expect from the activities international students participated. Both male students and female students found about the University by means of an education agency and commercial ranking system/database, and then the internet and other reasons were also good sources. However, only a few male students found about the university from Study in Australia seminar and no female students reported this factor. Asking for the information about the University, an education agency and university website were regarded most helpful and parents and friends was the third most popular sources. Before students chose a certain university, they would like to consult an education agency as well as discuss the issue with significant others.

The level of study indicated more different choices referring the source of information and the activities they participated in. Education agency was placed most as the source of finding about the University by both undergraduate and postgraduate students; the postgraduate students heavily relied on the education agency which reached 50% of the frequency weight. Comparing to postgraduate students, the sources of information were used more even in the group of undergraduate students. Although education agency was chosen the most (26.67%), other sources of information were also helpful such as the internet (20%) and commercial ranking system/database (20%). However, when students obtained the information of the University, they used the similar sources of information: the education agency and the internet were most frequently used, followed by parents and friends. The only significant difference between two groups was the usage of study handbook and flyer. More postgraduate placed this item as helpful source than undergraduate students. Both undergraduate and postgraduate students consulted with an education agency and discussed with significant others before they decided to choose the University. The only difference was the participation of Study in Australia seminar. Only a few undergraduate students went to the seminar (3.13%) while much more postgraduate students attended the seminar (20.83%).

Table 5: International Student Choice and Marketing Practice – Group 1 (Gender)

Group 1: Gender		
How have you found about the University?	Frequency Weight	
Sources	Male Students (n=22)	Female Students (n=16)
From the Internet	18.18%	15.79%
From high school	12.12%	5.26%
From others	12.12%	15.79%
From study in Australia seminar	6.06%	0%
From education agency	33.33%	36.84%
From commercial ranking system/database	12.12%	21.05%
other	6.06%	5.26%
How have you obtained information about the University?	Frequency Weight	
Sources	Male Students (n=22)	Female Students (n=16)
University website	32.50%	23.08%
Education agent	35%	34.62%
Parents and friends	15%	11.54%
The University alumni	2.50%	3.84%
Study in Australia seminar	5%	7.69%
Study handbook, flyers etc	5%	15.38%
Others	5%	3.84%
What kind of activities have you participated in?	Frequency Weight	
Activities	Male Students (n=22)	Female Students (n=16)
Came to Australia and had a campus tour	6.45%	3.85%
Consulted in an education agency	29.03%	42.31%
Attended the Study in Australia Seminar	9.68%	11.54%
Contacted staff/professors from the University directly	6.45%	3.85%
Discussed with parents, high school teacher, friends	29.03%	38.46%
Talked to alumni of the University	3.23%	0%
Other	16.13%	0%

In the last group, country of origin was compared (Table 7). Among four groups of countries, students from China, India and Korea reported the similar choices while Indonesian students had different ways to access the information. Regarding how to find out the University, all groups had higher frequency on choosing educational agency and commercial ranking system/database as their sources of information, except Indonesian students picked high school as the more frequent source knowing the University. Indonesian students also had opposite result regarding obtaining information of the University. The group of Indonesia reported that internet was used most and followed by education agency while all other groups indicated education agency was used most and the internet was the second. However, students from different countries had quite different choices on choosing activities to participate. Chinese students and Indian students relied more on the education agency and the significant others. Indonesian students had more diverse choices while Korean students focused on attending only a few activities. Comparing to other three groups, students from Indonesia had the highest frequency on coming to Australia and had a campus tour due to the geographic advantage. Unlike the group of Indonesia, Korean students only participated in education agency, discussed with others and other unspecific activities.

Besides the questionnaires, six international students were willing to participate in the interview after the completion of the questionnaire. The interview questions are the extension of the open questions asked in the questionnaire. When asking whether sufficient information was provided during the period of choosing Monash as their future university, most of them gave the positive feedback. Some international students appreciated the performance of advisors. They mentioned that advisors not only provide them detailed information about the university, but also discuss with them how to choose the suitable major and assist them to complete the application. Those international students felt that meeting an advisor was quite helpful since they were quite experienced and knew the needs of international students. There are different opinions on the use of agents. Generally, agents were regarded as a very important way for international students since international students could get almost all information regarding Monash University from them and the agents provided customized

service and discussed with student case by case. However, some international students pointed out that although contacting agents was very convenient, it was kind of difficult to make more comparisons between different universities for international students as some agents did not provide sufficient information of other universities.

Referring to how to improve the process of recruitment, many international students suggested the university should provide more details related to some specific aspects of information which were very crucial for them to make decision. This information related to two factors: academic information and future development factors. With respect to academic information, international students preferred to get access to curriculum details such as the class hour, course structure, subject introduction and more detailed background of faculty staff. Although the university has already posted relative information on the university website and handbooks, international students would like to obtain more information in this field. International students were also concerned for their future development and statistics data such as employment rates and graduate rates were needed.

Table 6: International Student Choice and Marketing Practice – Group 2 (Levels of Study)

Group 2: Level of Study		
How have you found about the University?	Frequency Weight	
Factors	Undergraduate	Postgraduate
From the Internet	20%	10%
From high school	16.67%	0%
From others	6.67%	25%
From study in Australia seminar	6.67%	0%
From education agency	26.67%	50%
From commercial ranking system/database	20%	10%
other	3.33%	5%
How have you obtained information about the University?	Frequency Weight	
Factors	Undergraduate	Postgraduate
University website	25.64%	30.77%
Education agent	36%	34.62%
Parents and friends	10%	19.23%
The University alumni	2.56%	3.85%
Study in Australia seminar	5%	7.69%
Study handbook, flyers etc	13%	3.85%
Others	8%	0%
What kind of activities have you participated in?	Frequency Weight	
Activities	Undergraduate	Postgraduate
Came to Australia and had a campus tour	6.25%	4.17%
Consulted in an education agency	34.38%	37.5%
Attended the Study in Australia Seminar	3.13%	20.83%
Contacted staff/professors from the University directly	6.25%	4.17%
Discussed with parents, high school teacher, friends	34.38%	33.33%
Talked to alumni of the University	3.13%	0%
Other	12.5%	0%

Table 7: International Student Choice and Marketing Practice – Group 3 (Countries of Origin)

Group 3: Country of Origin				
How have you found about the University?	Frequency Weight			
Factors	China	Indonesia	India	Korea
From the Internet	10.53%	30%	18.18%	25%
From high school	5.27%	30%	0%	0%
From others	15.79%	10%	18.18%	0%
From study in Australia seminar	0.00%	10%	9.09%	0%
From education agency	47.37%	10%	36.36%	25%
From commercial ranking system/database	15.79%	10%	18.18%	25%
other	5.26%	0%	0%	25%
How have you obtained information about the University?	Frequency Weight			
Factors	China	Indonesia	India	Korea
University website	20%	41%	33.33%	20%
Education agent	40%	25%	33.33%	40%
Parents and friends	12%	25%	16.67%	20%
The University alumni	4 %	8%	0%	0%
Study in Australia seminar	8%	0%	8.33%	0%
Study handbook, flyers etc	12%	0%	0%	20%
Others	4%	0%	8.33%	0%
What kind of activities have you participated in?	Frequency Weight			
Activities	China	Indonesia	India	Korea
Came to Australia and had a campus tour	4.17%	10%	8.33%	0%
Consulted in an education agency	33.33%	30%	33.33%	40%
Attended the Study in Australia Seminar	16.67%	0%	16.67%	0%
Contacted staff/professors from the University directly	4.17%	0%	8.33%	0%
Discussed with parents, high school teacher, friends	37.5%	20%	25%	40%
Talked to alumni of the University	0%	10%	0%	0%
Other	4.17%	30%	8.33%	20%

4. Discussion of findings

4.1 International Student Choice and Institutional Marketing

The research findings from the case study reveal some insights from the students and institutional perspectives regarding the important factors influencing students' choice and how marketing practice influence their decision-making process. As analyzed in this study, although there are some differences between different groups (comparison of gender, level of study and country of origin), certain institutional marketing approaches are more frequently used and are likely to reach the prospective consumers and to influence international students' decisions. Based on the literature review and research findings, Table 8 summarizes successful marketing factors and international student choices and illustrates the relationship between marketing factors and international student choices. Table 8 consists of two parts of theories: the first and third columns are successful factors in marketing concluded by Mazzarol, Soutar and Thein (2000) and the column in the middle lists some factors influencing international student choice mentioned by previous studies. All three columns are adjusted according to the research findings. There are five main successful marketing factors from the institutional view, including marketing activity, market image, courses and campus, technologies and people and student body. The factor marketing activity measures the institution's perception of the use of offshore recruitment agents, oversea advertising and promotions, international strategic alliances. The factor market image includes variables like the institution's reputation for quality and how institution are to be known and recognized. The factor courses and campus implies the importance of size of campus, location of campus and broad range of courses. The factor technologies and people measures the importance of technology support and experienced staff. The factor student body indicates the effort of alumni and large student population. These factors are listed with no order as the interview results reflect the different opinions from university staff. From the student view, the most successful marketing factor is offshore marketing according to the questionnaire results. However, other marketing factors vary their importance due to the various groups. There are four main successful factors in the student view column, namely offshore marketing, resources and courses, future development

and entry requirement and advertising. The factor offshore marketing is a measurement of international students' view of education agency, advisors from the university and seminar and so on. The factor resources and courses reflect international students' opinion on reputation for quality/staff, institutional reputation, broad range of course and alumni. The factor development implies how much personal future is affected and the factor entry requirement and advertising measures the flexible entry, large number of students enrolled, etc. The middle column was the rank from the most important factor to less important factor which influence international student choice. According to the findings from the questionnaire, there are eight most important factors influencing international student choice in this research: quality of education, academic reputation, better study opportunity/future development (both factors rank with the same importance), personal interest, variety of course, campus location and opinions from others.

Referring to the main study objective of this thesis, Table 8 tries to synthesise the relationship between institutional marketing practice and international student choice. Therefore, we combine these two theories together and compare to what extent there could be some relations. It is suggested that there probably exists the relationship between institutional marketing and international student choice. To express the relationship, similar factors are highlighted by same colors and the dot line implies parts of similarities are found among three columns. Factors with italic pattern (factor marketing activity from institutional view and factor offshore marketing from the student view) could indicate the general influence on international student choice. According to the table, market image of higher education institutions may play an important role on international student choice when international students consider the quality of education and academic reputation. Since the institutional marketing strives to improve institutional reputation for quality and makes the institution well known and recognized, the effort of marketing could affect international student choice as most international students expect better quality of education and good reputation for institution, according to the research findings. Moreover, when institutions focus on the introduction of courses and campus, the information could be received by international students as well because during the decision making process, variety of course and campus location are concerned. Another factor in

marketing may also affect international students decision making. The alumni network could be one source of the word-of-mouth and international students may take consideration from these former students. Last but not least, it is also likely, on the basis of these findings, that marketing activity may generally influence the international students' decision making process. Some international students from the research consulted education agents and advisors from the university and participated in seminars so that the information they obtained from offshore marketing may influence their final decision.

According to the concept of marketing in higher education, the criteria of successful marketing practice include two points: to achieve the institutional objective and to meet the target market's needs and desires. In our case study, one of the objectives of Monash University is to recruit the best possible international students from all over the world. Top international students therefore become the institutional target market. To achieve this objective, the institution needs to know what to do by analyzing the target market needs and desires, estimating institution's position in the market of international education and making a dedicated market plan. Holding with the marketing instructed by a clear objective, the next step is to figure out how to make the plan successful. The institution should create the right market image, namely reputation for quality and to be well known and recognized as well as utilize various market activities such as offshore recruitment agents and international strategic alliances to tell the prospective consumers who you are and what kind of institution you belong to. To ensure the creation of the right market image and usage of suitable market activities, the good team of marketing and international recruitment and advanced technology are necessary. According to the findings from student side, experienced staff did help them a lot by giving suggestions on choosing major and courses and assist them to complete the application process more efficiently. Last but not least, both current students and alumni, as the "products" or "outcomes" of the institution, are another useful source to promote the institution by telling their own story and experience to future international students.

On the other side, as consumers, what international students expect from the institution is information. They are concerned on how to access the information about the courses, faculties,

student life, facilities and campus environment and how to get the right information they want. From the international student view, they not only want to get objective information such as the size of student population, the volumes of books in the library, the number of courses, but also subjective information like the study environment, the interaction between teaching and learning. Hence, institutional marketing practice may set up some communication channels for them to seek this kind of information. Apart from the internet, based on the findings from questionnaires, the most effective way for international students is the offshore marketing, including education agency, advisor from the university and seminars. As most of them have no chance to fly over and have a campus tour in person, the offshore marketing then becomes a good two-way communication channel for international students to inquire information and get one-on-one feedback.

During the process of student choice, his final decision is determined by several factors. From Table 8 we get the clue that institutional marketing practice may help students make choices by providing them with information related to what they are interested. For example, from the study, it suggests that reputational ranking can be a promotional tool to maintain institutional market image (equal to “the well-known institution” of the factor “resources and courses” in the student side) as well as attract international students as the reputational ranking has become a proxy for the quality of education (one of the most important factors influencing student choice). What’s more, it is also an assessing tool for international students to screen out competitive choices. Also some international students mentioned that details of courses and institutional introduction can be found in handbooks and leaflets. Generally, international students were quite satisfied with the information they got during the application process, particularly in objective information. However, as higher education is a highly intangible and professional service and an experience good, subjective information is highly demanded and unfortunately this kind of information is hard to measure. In our findings, Monash University did a lot on meeting international student needs by sending advisors to particular countries and train education agents so as to make sure international student’s personal interest is taken cared by talking to them case by case. Nevertheless, some international students suggested that the university should offer more information regarding student’s future development, such as

the graduate employment rate and teaching and learning approach in the program of study, otherwise they will not know which course is right for them, given their aspirations, talents and preferred learning styles (Baldwin & James, 2000).

According to the study result, it is interesting to note that institutional marketing activity does influence prospective students' decision making process the most. Regardless of gender, the level of study or the country of origin, the education agency was the most frequently used information source. The use of an education agency not only promotes higher education institutions in general and increase awareness but also distributes sufficient information to international students, especially with the collaboration of advisors from the university and education seminar. However, the alumni base which is linked by the dot line showing as one source of the others' opinion does not affect too much on student choice. Rather, international students preferred to discuss with their parents and friends about their choice.

In summary, this table implies that institutional marketing practice has a relation with international student choice by providing information that international students look for. Although there is no explicit evidence showing the institutional marketing was the reason for the increase of international students' recruitment, the research findings still provide some hints from both university staff and international students. Besides, the university annual report also indicated that in the last five years, the total number of international students was steadily increasing. Therefore, the marketing practice at least stimulated the international student recruitment.

Table 8: Comparison between successful factors in marketing and factors influencing international student choice

Successful factors in marketing (institutional view)	Factors influencing international student choice	Successful factors in marketing (student view)
Marketing Activity Variables: offshore recruitment agents, oversea advertising and promotions, international strategic alliances, etc.	1. Quality of Education	Offshore Marketing Variables: education agency, advisors from the University, seminars, etc.
Market image Variables: reputation for quality; To be well known and recognized	2. Academic Reputation	Resources and Courses Variables: reputation for quality/staff; institution is well known (market awareness) broad range of course, alumni etc.
Courses and Campus Variables: size of campus, location of campus, board range of courses, etc.	3. Better Study Opportunity/ Future Development	Future Development Variable: future employment
Technologies and people Variables: technology support, experienced staff	4. Personal Interest	Entry Requirement and Advertising Variables: flexible entry throughout the year, large number of students enrolled, etc
Student Body Variables: alumni, large student population	5. Variety of Course	
	6. Campus Location	
	7. Opinions from Others	

4.2 Win-Win model – Rational Consumer and Trustful Supplier

One important finding that surfaced in the study with international students was that institutional marketing seems to be a very good way to provide information to prospective students and help them to make decisions. However, there are two preconditions in this

conclusion – reliable information from a reputable and independent source and educated and informed consumer (international student).

Due to intangible and non-observable qualities in higher education and the customer-input technology mentioned in the previous section, it is quite difficult to be a perfectly rational consumer. The study indicated that the final choice of an institution was determined by a complex mixture of considerations relating to the academic reputation, broad field of study and the particular course and so on. Some respondents reported that they are influenced or strongly influenced by some considerations about which they claim to have little or moderate knowledge. Included here were the career prospects for graduates in particular fields, the approaches to teaching and learning and the quality of teaching in particular courses, and graduate satisfaction with those courses. This suggested that the university should focus more on substantive matters relating to the learning experience and outcomes. For the higher education institution, the key emphasis should be on responsiveness to consumer needs and aspirations across the diverse range of international students coming to the field of higher education. What is needed is for all universities to conduct an honest analysis of their strengths and the population they wish to serve, and use this to differentiate from each other. Their competitiveness would then be focused on getting through to those prospective students who have been defined as the target market, and convincing them that this is the kind of university they should attend (Baldwin & James, 2000).

To better improve the student choice process and make the institutional marketing more effectively, we conclude with Figure 6 which provides a full picture of how both demand and supply side work and consider it as a win-win model. There are two theoretical parts in this figure: marketing mix and international student choice. The student choice part is modified from Jongbloed (2009)'s "institutional factors affecting student choice" figure (see Appendix 3). In the win-win model, there are factors from demand side (individual demand) and supply side (program supply) as well as external influences affecting international students making their choices. This model involves the factors summarized by Jongbloed but also adds the external influence from significant others and macro-environment factors in.

As the decision making process is a highly interactive process, an international student has to balance internal (individual) demand and external influence (institution, significant others and macro environment). Individual demand is the combined consideration of personal interest, personal capability, future development, better study opportunity and academic reputation. Externally, international student choice may be influenced by significant others like parents, friends and high school teachers. During the discussion between students and their significant others, the final decision is changeable and negotiable so that double-arrow line links the factor and choice. The change from Macro environment like overseas higher education system and policy, visa requirements is unchangeable and unpredictable so that international students have to adapt themselves to the change. The last but not least factor influencing international students' choice comes from the institutional side. Mainly, there are four sub-factors that an institution may change in an international student's mind. The first two are program supply and entry restriction. By and large, the institution takes the initiative to design the program and set the benchmark for prospective international students. To this extent, an international student is choosing the "product" (program) provided by the institution and is passively selected by the institution if he/she meets the entry requirement. The third factor from institutional side is the recruitment, publicity and guideline. Again, double-arrow line is put here because this is the communication channel linking international student and the institution. Through the communication, prospective international students obtain more information about the institution and at the same time the institution also gets the chance to better understand prospective international student needs and wants. The last sub factor from institution is the cost. From the figure it seems like both international student and institution are constrained by cost. Even though the institution sets the tuition fee for international students, it still has to take public funding and other financial sources into account. The total cost of study and opportunity cost affect international student choice as well because most international students are self-funded and they have to consider the return on their investment.

Aiming to be an educated and informed consumer, an international student firstly should totally understand his demand factor. As mentioned by Baldwin and James (2000), a clear

danger at present is that students do not know what it is they do not know. Thus, no matter how much information is provided, they may ask for the wrong information or even are not able to raise a question. One way the Australian government could play a useful role is to devote resources to consumer education by assisting potential students to ask the right kinds of questions about the institution and courses they are considering. “Study in Australia for International Student” site is a good example. This is the official Australian Government site for advice on studying in Australia, including information from institutions, courses, study and living costs. By searching information from this kind of website, international students can have a clear view of the study destination and specific course and institution as well.

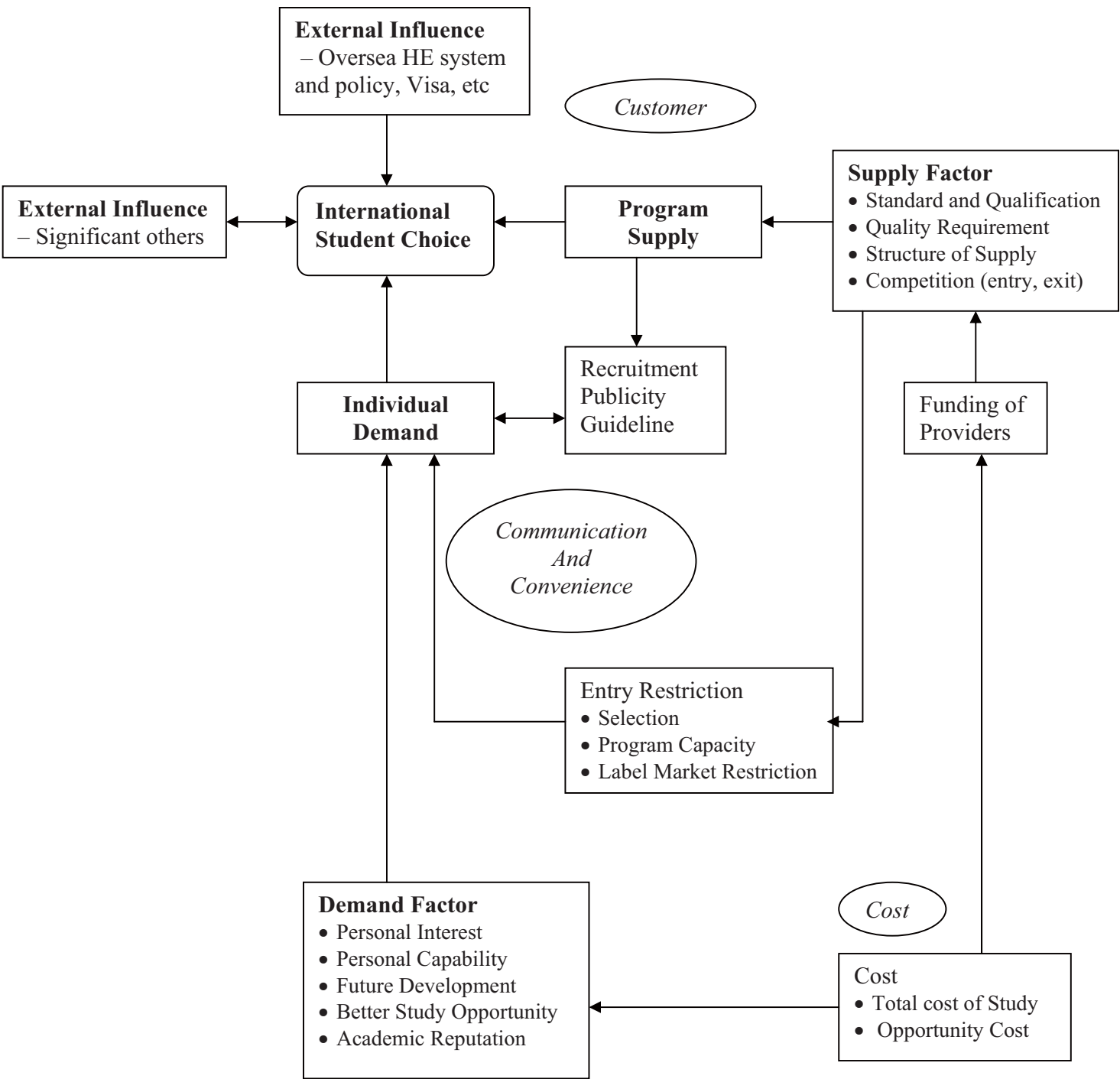
The other part of the figure indicates how marketing mix participating in the international student decision making process. The research findings indicate that higher education institutions usually face strong competition from both domestic and international rivals to attract international students, particularly the top international students. Therefore, how to use marketing practice to stand out from the rest is considered. One way to achieve the differentiation is to utilize different marketing mix. As the goal here becomes the “fitness for both students and institution”, the 4C (Consumer, Cost, Communication and Convenience) model (McCarthy, 1960), which has the similar function as the traditional 4P model (Product, Price, Promotion and Place), should be used to help institutions meet prospective students’ needs and wants as it focuses more on customer-oriented marketing mix.

The more relationship-based marketing mix, namely 4C (Communication, Convenience, Customer and Cost) turns up in the institutional factor side. The Customer marketing mix is in line with program supply, which means when designing programs, the institution should focus more on customer’s needs and wants instead of just products. For example, during the interview with institutional staff, they mentioned that when the market research shows more and more international students come to Australia to study engineering and education, the institution may have the reaction and design more internationalized programs in these two majors to meet prospective international students’ needs. The second “C” – Cost focuses on what it costs a customer to have the education service instead of pricing the product to make a

profit. As non-profit enterprise, higher education institutions should further consider how much the education service will cost in the long run and compare the pricing with other domestic and international competitors. The third “C” – Convenience cares about how easy it is for consumers to obtain the information instead of how easy it is for the institution to distribute the product. With the increase in use of the internet and the set up of offshore marketing, international students have much more paths to get the information. The last “C” – Communication focuses on two-way communication with consumers – “listening and learning” instead of one-way communication of “telling and selling”. This is the very important shift for institutions and their marketing strategies. By focusing on communication with prospective international students, stronger relationships between students and institutions may be built. Both Communication and convenience are in line with the factor of recruitment, publicity and guideline.

Let’s compare the difference between using traditional 4P’s marketing mix and the 4C’s marketing mix with the research findings. It shows that international students in this case study were not as much price sensitive as we expect, but ‘promotion’ played a more important role in the enrollment decision. The use of agencies and the distribution of marketing information via internet had an important impact on forming positive perceptions. Nevertheless, the ‘product’, as the core competencies of a higher education institution, namely faculty, quality and reputation still maintained the prominent position in attracting students. Thus, “promotion” was ultimately secondary to the “product” and more functioned as the support tool for the “product”. As a result, if 4P’s marketing mix was used in Monash University, the institution then took the initiative to design the “product” and promote more by telling and selling for it while the consumers (international students) were forced to adapt themselves to fill the need gap between individual demand and institution supply. Conversely, if 4C concepts replace the 4P concepts, then the win-win situation may be achieved as the higher education institution adapts itself to meet consumers’ needs and wants and tries to create more two-way communications (instead of ‘hard-selling’). If this could be achieved, then the marketing practice might actually enhance quality and diversity.

Figure 6: Marketing Mix and International Student Choice



5. Conclusion

This thesis discusses the concepts of the marketing of higher education and international student choices and studies the relationship between these two concepts. Also, it is analyzed to what extent institutional marketing has positive effect on international student enrollment and if it may benefit international student choice. The relationship was investigated in the case study of Monash University, Australia. Both institutional staff and international students are involved in the study. The interview of institutional staff provides a fuller picture of how the university sets up a market plan and makes use of it for understanding prospective international students' needs and desires. International students are grouped by gender, the levels of study and countries of origin to find if any difference between different market segmentation in terms of student choice and opinion of institutional marketing. From the research it suggests that there could be a relationship between institutional marketing and international students and the marketing activities is likely to have positively effect on the international recruitment enrollment although whether it has directly influence or not is uncertain. As well, the thesis illustrates the application of marketing practice may help international students make decision by providing more information and understanding their needs and wants.

There are some limitations of the thesis. As the market plan and strategy is regarded as institutional core value, it is not easy access to most of institutional staff and thus the sample size is relatively small. This makes the research findings lack of generality. Although the sample size of international students is acceptable, the portion of country of origin is uneven. International students from China are over-represented although China is the number one country of source. This makes the comparison among market segmentation a little bit difficult. Also, most of international students study in the faculty of Business and Commerce (although lots of international students do come to the university to study in this field), therefore the research can not study the difference between different study field. Last but not least, the research findings from international student side are presented by descriptive statistics as these data are not normally distributed.

With higher educational institutions now are being required to generate the majority of their revenues from fee paying students it is necessary that effective research be conducted to assist institutional managers make effective marketing decisions (Mazzarol et al. 2000). This research has highlighted the relationship between the institutional marketing and international student choice of institution. There is a need for more higher education institutions to be studied so as to generalize the research findings. Future research may also study if the marketing activities have a direct influence on the increase of international student enrollment.

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Appendix 1: Main Questions for the Interview

1. Since the mid-1980s international education, through the provision of courses to full-fee paying overseas students, has emerged as a major export industry in Australia. Some researchers may doubt if marketing practice, as a commercial concept, is suitable for higher education. What do you think about that?

2. As higher education is a highly intangible, complex professional service, the relationship between higher education institutions and students are not the general 'supplier-customer' relationship. Therefore, how to understand students' wants and needs, i.e. there are more than 19,000 students from 170 different countries, how do you identify their different needs?

3. Comparing to other domestic higher education institutions, what's Monash's strengths and weaknesses? How about your international chief competitors?

4. According to your experience, what are the most important factors of successful marketing? Please rank the following factors from 1(most important) to 6 (least important):
 - ☐ Marketing Activity
 - ☐ Technology and People (the use of IT, sufficient financial resources, quality & experience of staff)
 - ☐ Campus and Course (size and location of campus)
 - ☐ Ability to offer a broad range of courses
 - ☐ Student Body (to have a large student population, possession of a strong alumni base)
 - ☐ Market Image

5. In the following marketing activity, to what extent you think it will help the international student recruitment? (1= least helpful; 2= less helpful; 3= helpful; 4=more helpful; 5=most helpful)

Use of private recruitment agents	1	2	3	4	5
To have offshore recruitment offices	1	2	3	4	5
To have offshore teaching programs	1	2	3	4	5
To be a pioneer or early entrant to foreign market	1	2	3	4	5
Possession of large market share	1	2	3	4	5
To have international strategic alliances	1	2	3	4	5

6. Referring the international student recruitment, is there any change in Monash University, i.e. the country of origin of students? The field of study? How do you think about the future of transnational education market?

Appendix 2: Questionnaire for International Students

Questionnaire for international students

This questionnaire is designed for a postgraduate dissertation entitled “The relationship between institutional marketing practice and prospective international student choice”; your valuable opinions are very helpful to this research. Thank you for your kind cooperation.

(1) How old were you when you enrolled in the Monash University?

- ☐ 16- 20 ☐ 21-25 ☐ 26 -30
☐ 31 -35 ☐ 36-40 ☐ > 40

(2) Your gender: ☐ Male ☐ Female

(3) Do you have family member in Australia?

- ☐ Yes ☐ No

(4) Your country of origin: _____

(5) Your field of study:

- ☐ Undergraduate (major: _____)
☐ Postgraduate (major: _____)
☐ PhD (major: _____)

(6) Why choose Australia as your overseas study destination?

- ☐ Weather and climate ☐ Living environment
☐ English-speaking country ☐ Proximity to home
☐ The opinion of others ☐ Total cost of studying
☐ Other (_____)

(7) How have you found out about Monash University?

- ☐ From the Internet ☐ From high school
☐ From others ☐ From study in Australia seminar
☐ From education agency
☐ From commercial ranking system/database
☐ Other (_____)

(8) How have you obtained information about Monash University?

- ☐ University website ☐ Education agent
☐ Parents and friends ☐ Monash alumni
☐ Study in Australia seminar ☐ Study handbook, flyers etc.
☐ Other (_____)

- (9) **How much time did you spend on your search for a certain university?**
☐ <1month ☐ 1-3 months ☐ 3-6 months
☐ 6-9 months ☐ 9-12 months ☐ > 1 year
- (10) **Before your application, what kind of activities have you participated in?**
☐ Came to Australia and had a campus tour
☐ Consulted in an education agency
☐ Attended the Study in Australia Seminar
☐ Contacted staff/professors from the university directly
☐ Discussed with parents, high school teacher, friends
☐ Talked to alumni of a certain university
☐ Others (_____)
- (11) **How do you finance your study in Australia?**
☐ Parents finance me ☐ Scholarship from the university
☐ Student loan ☐ Scholarship from home country
☐ Part-time job/ personal saving
- (12) **How were you recruited to study in Monash?**
☐ Direct application to the institution ☐ By education agency
☐ By Study in Australia Seminar ☐ Other, _____
- (13) **When you applied to Monash University, did you also applied to other universities?**
☐ Yes (please go to question 14) ☐ No (please go to question 15)
- (14) **Where do these other universities locate?** (multiple answers)
☐ Australia (Region: ☐ WA ☐ NT ☐ SA ☐ QLD ☐ NSW ☐ VIC ☐ TAS)
☐ Other English- speaking countries (please list: _____)
☐ European countries (excluding the UK and Ireland)
 (please list: _____)
☐ Asian countries (please list: _____)
☐ Northern American countries (excluding the USA and Canada)
 (Please list: _____)
☐ Southern American countries (please list: _____)
☐ African countries (please list: _____)
- (15) **Why Monash University was your only choice?**
☐ Because the university provides me the course exactly meeting my needs
☐ Because the university offers me a scholarship
☐ Because the university has the real international environment (linking with many partner universities and offshore campuses)
☐ Because I already had contacted with a certain professor who is willing to supervise my study

(16) **To what extent the following factors influence on your choice of a certain university?** (Please score 1 to 5, 1 as the least influencing factor to 5 as the most)

- ☐ Tuition fee and living cost
- ☐ Campus location
- ☐ Quality of education (competence and expertise of academic staff)
- ☐ Future development
- ☐ Better study opportunity
- ☐ Personal interest
- ☐ Academic reputation
- ☐ Variety of Course
- ☐ The opinions of others

(17) **Did you have sufficient information when you chose your future university?**

- ☐ Yes ☐ No

If No, what additional information you prefer to know? _____

(18) **Any suggestions for your university to improve the international recruitment process?**

Appendix 3: Institutional factors affecting student choice

Institutional factors affecting student choice

